Daily Report
Latin America

FBIS-LAT-88-068 *8 April 1988*

CONTENTS

CARIBBEAN

Cuba

U.S. 'Brutality' Against Cameraman Protested 1
Castro Inaugurates Hemoderivative Plant 1
Discusses Nonsmoking Campaign 2
UN Public Information Official Pays Visit 2
Havana UN Center Planned 2
Views Purpose of Visit 2
Economic Delegation in Albania; To Sign Accord 2
Officials Meet Martinique CP Secretary General 2
Martinique Regional Council VP Meets Aguirre 3
State of Emergency Declared for Isle of Youth 3

Barbados

U.S. Sanctions Against Panama Criticized 3

Guadeloupe

Plans for French Military Base Meet Opposition 3

Haiti

Official Declines Comment on Nov Events Report 3
Reaction to Senate Testimony on Drug Charge 4
Group Denounces Abuses in Dominican Republic 4

Netherlands Antilles

Government Considers Joining Caricom 4

St Christopher and Nevis

Eastern Caribbean Central Bank Report Released 4

St Lucia

Hunte Urges Compton To Resign Security Post 6

Trinidad and Tobago

No Confidence Motion Filed Against Robinson 7

MEXICO

Saudi Petroleum Minister Pays Official Visit 8
Arrival Statement Reported *[Riyadh SPA]* 8
Finance Secretary Comments on Economic Trends 8
Repatriation of Guatemalan Refugees Announced 8
Residents of Border Town Meet With Salinas 8
PPS Questions Removal of Envoy to USSR 9

CENTRAL AMERICA

Costa Rica

President Arias Views C.A. Conflict 10

El Salvador

Duarte Comments on Human Rights, Corruption 10

Honduras

Protest of Matta Deportation at U.S. Embassy *[ACAN]* 11
Embassy Guards Allegedly Kill 2 11
Girl Dies in Fire 11
2 Die, 14 Injured 12
4 Deaths 'Confirmed' 12
Government 'Regrets' Incident 13
Foreign Minister Comments on Matta's Arrest 13
Deputies' Manifesto Condemns Matta 'Kidnapping' 14

Nicaragua

Government, Contras Agree on Enclaves 14
Cuadra on Talks 15
RN Wants Guarantees 17
RN Reply to H. Ortega 17
Letter to OAS Secretary General on Contra Aid 18
Ortega, Mozambique's Chissano Meet Peasants 18
Chissano Meets Officials *[BARRICADA 6 Apr]* 20

Panama

Possibility of Sosa Extradition Request Studied 21
Church Suspends Mediation in National Dialogue 21
Col Wong Says FDP, Civilians 'United' 21
Esquivel 'Optimistic' About 'Solution' 21
State of Emergency Extension Recommended 22
Banking Association President on Reopening 22
New Opposition Group Opposes U.S. 'Intervention' 23

SOUTH AMERICA

Argentina

CGT Calls General Strike for 14 April 24
Suspect in Recent Bombing Wave Killed 24
Further Details on Killing 24
PC Leader Harshly Criticizes Dissidents 24

Brazil

Sarney, Alfonsin Sign Bilateral Agreements 25
Summary of Protocols *[TELAM]* 25
Alfonsin on Nuclear Ties 26
Alfonsin on Agreements *[NOTICIAS ARGENTINAS]* 27
Measures To Fight Public Deficit Announced 28

Cuba

U.S. 'Brutality' Against Cameraman Protested

FL071715 Havana Tele-Rebelde Network in Spanish 1100 GMT 7 Apr 88

[Text] The Union of Cuban Journalists [UPEC] has issued a strong protest for the offense carried out in Panama by Yankee military forces against Cuban cameraman Emilio Regalado, who was hit, mistreated, and handcuffed while he was trying to get authorization to perform his job. He was accompanied by Ana Maria de Paulis, correspondent for the Mexican news agency NOTIMEX.

UPEC has stated that the incident constitutes a demonstration of the brutality used by Yankee troops, the encroachment upon a piece of Panamanian land, and their contempt for the right of the people to receive truthful information regarding the events in that country.

Castro Inaugurates Hemoderivative Plant

FL080211 Havana Television Service in Spanish 0000 GMT 8 Apr 88

[Reporters unidentified]

[Excerpts] Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, today inaugurated the Aristides Viera Hemoderivatives Plant in Arroyo Arenas in Havana.

Cuba will be among the largest producers in the world of hemoderivatives when this plant is operating at full capacity. It will produce 50,000 liters of frozen plasma annually during its first stage. This will be used in producing medication, therapeutic albumin, and several types of gamma globulin.

The plasma and its by-products are extensively analyzed to avoid contamination by viruses such as AIDS and Hepatitis B. [passage omitted]

The commander in chief later spoke to journalists about this important scientific center.

[Begin recording] [Castro] The plant is very sophisticated. It reminds me a little of the electronic component plant in Pinar del Rio because there are places here where they have to work (?where it's empty), [words indistinct] the products, put them in containers. There are others who have to do this work in totally sterile conditions in what we can call production halls, workshops. They are constructed in a certain way and use a particular procedure to guarantee sterility in their work and for their personnel.

The center is impressive because of the complexity of the process. The organization and quality of the personnel, the scientists, is also impressive.

[First reporter, interrupting] [Words indistinct]

[Castro] The staff is not just composed of women; there are also some men in the scientific area. However, in the laboratory production area, the professional staff is basically composed of women. The personnel are well trained. Above all, they are enthusiastic and dedicated to their work, which is more important than training... [corrects himself] just as important. It is an indispensable complement to training.

[Second reporter] Will the plant be linked to the largest blood bank that is currently under construction in the country?

[Castro] It will be linked to that one but it will certainly be linked to others.

[Several people speak simultaneously] It will be linked to all the blood banks.

[Castro] The plant will be linked to all of them.

I was told that certain conditions have to be established in the blood banks for some of the products that will be manufactured here.

They told me about a product for hemophiliacs. It is very important. This product requires certain conditions for manufacturing. The blood has to be frozen briefly, very briefly, at minus 30 degrees, or something like that. It requires a process of rapid freezing. Even though it is a new product, it has its requirements for the blood bank. It has be be frozen quickly and some extra work has to be done with it. It is very complex but very interesting. [end recording]

Fidel later referred to the progress of the rectification process.

[Begin Castro recording] I think that this is a long-term struggle. There are many things yet that have to be rectified, old and new things. There are thousands of things, for example, the problem of discrimination. There are hundreds or thousands of things to correct. However, I think that a number of things can be seen with regard to the first fruits of that rectification process.

Everyone is working more seriously. You can see it in all organizations. You can see that the individuals, the officials, are much more dedicated in the sugar, agriculture, and construction sectors, everywhere. There are many examples that become notable, not just in the capital, but also throughout all the provinces. [end recording]

Discusses Nonsmoking Campaign

FL030057 Havana Radio Rebelde Network in Spanish 2300 GMT 7 Apr 88

[Text] Commander in Chief Fidel Castro a few moments ago inaugurated the largest hemoderivative plant in the Third World.

In response to a question from our journalist, (Belkis Joglar), on the bad habit of smoking, Fidel said:

[Begin recording] Well, fortunately, I can make some (?remarks) on this. In this case, I can say: Don't do what I say; do what I do. In particular, quit smoking. I think it can be said that the cigar is as bad as all the rest.

Do you know why I made this decision? The real truth—and I can say it today on Health Day—is that since the campaign against the cigar began in the country, once the party leaders became aware of this problem... [changes thought] We were smoking more each time. The country was among the top cigar-smoking countries in the world. That is when we began the campaign.

Everyone could make their own contribution. I said I wouldn't smoke anymore in public. This is my contribution; I will not smoke in public, on TV, or at a ceremony.

The commitment was intended for within the country. A journalist, a foreign journalist, came to interview me. I had no commitment abroad, so I appeared with my cigar. When they showed the interview domestically; there I was. The interview was not intended for domestic consumption; it was intended for abroad.

I decided that the last sacrifice I will make... [does not complete sentence] I reached the conclusion that the last sacrifice I will make for public health in Cuba is to quit smoking. This is the reason; you can't carry out a campaign against smoking if the leaders set an example as great smokers.

This is a problem of awareness. Since I had this problem and the goal was truly a noble one, a high goal, a sacrifice for something, it really was no trouble to quit. That's the truth. It was on 26 August; I think it was in 56... [corrects himself] It was in 85; it was on 26 August 1985. In the morning I said, I will not light another one, and I simply quit. [end recording]

UN Public Information Official Pays Visit

Havana UN Center Planned

FL070221 Havana Television Service in Spanish 0000 GMT 7 Apr 88

[Text] (Therese Pacquette Savigni), general deputy secretary of public information of the United Nations, said she is very satisfied with her current visit to Cuba.

The UN official said that plans have been made with the Cuban Government to create a UN center in Havana. The center will extensively cooperate with the one existing in Mexico City.

The official, of Canadian origin, said this effort is being made because Cuba is a dynamic country, highly developed in press structures, and very committed to the nonaligned countries' movement.

Among the most important functions of the center will be increased reporting of UN actions in Cuba and of Cuban events to the world.

(Pacquette Savigni), who traveled to Havana with (Mario Samorano), spokesman for the UN secretary general, said that she contacted leaders of the Cuban Institute of Radio and Television to discuss the exchange of programs and other materials, due to the financial crisis of the United Nations.

All the contacts were made in accordance with her department's position that there is no other rule for peace than development, which makes understanding between the peoples essential.

Views Purpose of Visit

FL071630 Havana Radio Progreso Network in Spanish 1100 GMT 7 Apr 88

[Text] (Therese Pacquette Savigni), deputy secretary of public information of the United Nations, ended yesterday an official working visit to Cuba. The official said the purpose of her visit was to have personal contact with the situation in Cuba in the field of information and explore mechanisms to strengthen UN cooperation with the Cuban social communications media.

Economic Delegation in Albania; To Sign Accord

FL051840 Havana Radio Reloj Network in Spanish 1414 GMT 5 Apr 88

[Text] Ernesto Melendez Bachs, minister president of the State Committee for Economic Cooperation, is in Tirane. He is there to sign a scientific-technical agreement with Albania. Raul Donas, vice president of the State Committee for Economic Cooperation, and officials Alberto Rodriguez and Rafaela Morales are also members of the delegation.

Officials Meet Martinique CP Secretary General

FL051420 Havana Radio Progreso Network in Spanish 1100 GMT 5 Apr 88

[Text] Jorge Risquet, member of the PCC Politburo, and Carlos Aldana, member of the PCC Central Committee Secretariat, have met in Havana with Armand Nicolas, secretary general of the Martinique Communist Party.

Relations between the parties and international, Cuban, and Martiniquais affairs were discussed during the meeting, which took place in a friendly atmosphere.

Martinique Regional Council VP Meets Aguirre

FL051720 Havana Tele-Rebelde Network in Spanish 1100 GMT 5 Apr 88

[Text] Camille Darsieres, first vice president of Martinique's Regional Council, and the delegation accompanying him has met with Severo Aguirre del Cristo, acting president of the National Assembly of the People's Government [ANPP].

The visitors thanked Villa Clara's ANPP Provincial Assembly for its invitation to visit Cuba. They also referred to the current cultural ties between the two countries and the possibility of future scientific research cooperation.

State of Emergency Declared for Isle of Youth

FL070157 Havana Television Service in Spanish 0000 GMT 7 Apr 88

[Text] A state of emergency for the cattle industry has been officially declared in the Isle of Youth. This is due to the amount of animal feed lost during the recent fires and the intense drought experienced by the special municipality.

This situation has weakened the cattle industry, resulting in the loss of more than 1,000 head of cattle in only 3 months. This has forced the delegation from the Agriculture Ministry to declare a state of emergency.

The Isle of Youth is the only territory in the country that has reached this stage or condition this year.

Some of the many measures adopted by the Isle of Youth livestock enterprise include grouping weak animals, scheduling a single milking, improving tanks for water and honey supplies, feeding enriching grains, and increasing irrigation areas.

A high work spirit reigns among the island's cattle industry workers who have ratified their commitment that the population's quota of meat and milk will not be affected.

Barbados

U.S. Sanctions Against Panama Criticized

FL071355 Bonaire Trans World Radio in English 1130 GMT 7 Apr 88

[Text] Barbados has publicly criticized the U.S. economic sanctions posed against Panama. A Foreign Ministry statement said the government of Prime Minister Erskine Sandiford opposes unilateral imposition of coercive economic measures. The opposition in Barbados had been calling for a clear statement on Panama by the ruling government.

Observers say there is mixed support for the U.S. economic sanctions on Panama throughout the English-speaking Caribbean.

Guadeloupe

Plans for French Military Base Meet Opposition

FL062249 Bridgetown CANA in English 2009 GMT 6 Apr 88

[Text] Pointe-a-Pitre, Guadeloupe, April 6, CANA—A plan by the French Government to set up a military base in Guadeloupe, a Caribbean island it administers, is meeting opposition here.

The people of the town of Saint Francois, where the base is to be located, have mounted demonstrations and sent a petition against the plan to the French Government.

Ernest Moto-Zami, a member of the local legislative assembly, has called on Paris to scrap the proposal and instead establish tourism infrastructure in the seaside community. Moto-Zami said hotels, yacht marinas, and a golf course are needed to bring employment to the area, arguing that the benefits of tourism could not be matched by the setting up of a military base.

The rightist mayor of Saint Francois, Lucien Bernier, says he raised the matter with French Prime Minister Jacques Chirac during his recent visit to Guadeloupe and he is confident the prime minister will help influence a decision towards aborting plans for the military facility.

The only French military base in the Caribbean is in French Guiana where foreign legionaires and other troops protect the launching facility for the Ariane space rocket.

Haiti

Official Declines Comment on Nov Events Report

FL072146 Port-au-Prince Radio Antilles-Internationales in French 1730 GMT 7 Apr 88

[Text] The Haitian Government committee investigating the 29 November massacre in Port-au-Prince, back during the aborted elections, was unable to identify the perpetrators. This was announced by the nation's radios on Monday, quoting the conclusions of the committee's report.

The report is critical of Public Prosecutor Mrs Mireille Zamor Pluviose. Listen to Mrs Pluviose on this matter.

[Begin Pluviose recording, in Creole] The Department of the Public Prosecutor of the Civil Court will abstain from making any comment on that report and on related events investigated by the committee as long as the report has not been officially disseminated. [end recording]

Reaction to Senate Testimony on Drug Charge

FL062123 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 6 Apr 88

[Text] Yesterday Mr Oswaldo Quintana appeared before the U.S. Senate subcommittee on drugs. Citizen Quintana, who was involved in transporting drugs to the United States, has now become an informer for the U.S. Government. He is the prosecution's principal witness against Colonel Jean Claude Paul, whom a Miami court officially implicated in drug trafficking recently.

During yesterday's appearance, Quintana said that in 1986, Col Paul had offered him $100,000 to get 500 kg of cocaine into the United States from a secret ranch he owns. But, said Quintana, the plan failed after a first shipment was stolen.

Here, however, both the civilian and the military authorities declare that all this news is bullshit [preceding word in English], aimed at sullying the colonel's reputation. They say they have never received any official information on this matter and that they will not lift a finger until they receive information through diplomatic channels.

The Haitian Communist Party recently spoke out in support of Col Paul, declaring that the Americans had accused Col Paul not for moral, but rather for political, reasons.

Group Denounces Abuses in Dominican Republic

FL062236 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 6 Apr 88

[Text] The National Alliance of People's Organizations [Alyans Nasyonal Oganizasyon Popile Yo] has discussed the situation of Haitian workers in Santo Domingo. It feels the situation is deteriorating daily.

The group says that last 24 March the Dominican Army, which is the flunky of the American bigshots, as it puts it, bashed in the head of a Haitian father of eight with riflebutts, and then killed him with a bullet to the head.

That same week, the Army arrested more than 50 Haitians, among them pregnant women, old and young people, and children. The soldiers pointed weapons at them, forced them to get into the vehicle of the company that takes care of sugar in the Dominican Republic, and took them away.

The group says that now and then, in the north, the Dominican Army strangles Haitians and throws their bodies into the river. It says that this kind of thing should not continue.

It asks the Haitian Government not to sign a contract to sell Haitians to the Dominican Republic as if they were slaves. It also asks the Haitian Embassy in the Dominican Republic to shoulder its responsibility and ensure that Haitians receive justice. The Haitian Government should commit itself to providing proper means to permit Haitian workers in the Dominican Republic who wish to return to Haiti to do so, the group adds.

Netherlands Antilles

Government Considers Joining Caricom

FL071435 Bonaire Trans World Radio in English 1130 GMT 7 Apr 88

[Text] A tactical mission from the Netherlands Antilles has ended talks in Georgetown, Guyana after discussing the possibility of joining Caricom. The three-member delegation met with senior officials in the Caricom Secretariat discussing ways in which the Netherlands Antilles could effectively participate within Caricom. They were given an overview of the community's goals and objectives and the political and economic imperatives that govern its election.

St Christopher and Nevis

Eastern Caribbean Central Bank Report Released

FL061850 Bridgetown CANA in English 1714 GMT 6 Apr 88

[Text] Basseterre, St Kitts, April 6, CANA—The economies of member countries of the Eastern Caribbean Central Bank (ECCB) experienced mixed results for the first nine months of 1987, according to the latest ECCB report.

The bank said that, in general, tourism and manufacturing activities increased while agricultural output suffered a significant reversal primarily as a result of adverse weather conditions.

On an area basis the production of bananas, as indicated by export volumes, fel 11 per cent to 136,455 tonnes as compared with an increase of 26.7 per cent in the comparable period of 1986. The contraction in production was most significant in St Lucia where export volumes fell 22.5 per cent to 60,400 tonnes. A downturn was also experienced in St Vincent and the Grenadines, and as a result the volume exported fell by 16 per cent to 26,157 tonnes.

The bank noted that output in St Lucia and St Vincent and the Grenadines was affected first by drought conditions in the early months of the year, and by heavy rainfall and storm damage. A decline in the performance

of the agriculture sector was also in evidence in St Kitts and Nevis where labour shortages hampered output in the sugar industry, which recorded an 11.3 per cent fall in sugar production and a significant acreage of unreaped canes.

By contrast, good performances were recorded in the agricultural sectors of Dominica and Grenada. In Dominica, the upward trend in banana production continued, and the volume exported rose by 23.5 per cent to 44,300 tonnes, following a 34.8 per cent increase in the comparable period of 1986.

In Grenada, production of cocoa, nutmeg and mace recorded increases ranging from 26 per cent to 38 per cent while the volume of banana experts grew by a modest 6 per cent after several years of decline.

In tourism in the seven member nations, the bank noted that the expansion in tourism activity which started in 1984 has continued although at a reduced pace. Stay-over visitor arrivals to the area rose by 8.6 per cent in the first nine months of 1987 to 368,000 as compared with an increase of 12.3 per cent in the comparable period of 1986. Substantial increases were recorded in Anguilla (29 per cent), St Kitts and Nevis (20 per cent) and St Vincent and the Grenadines (13.7 per cent). More modest increases were registered in Montserrat (8 per cent), Dominica (7.6 per cent), St Lucia (7 per cent) and Antigua and Barbuda (5 per cent), while in the case of Grenada the increase was marginal. The reduced rate of stay-over visitor arrivals was to be expected, given the near-full occupancy rates in the peak tourist periods of recent years, particularly in Antigua and Barbuda and in St Lucia, the ECCB said.

The period under review has however witnessed a substantial increase in the rate of growth of cruise ship visitors. About 296,000 passengers visited the various destinations in the area, some 30 per cent more than in the comparable period of 1986, when the increase was about 15 per cent. The number of cruise ship visitors doubled in the case of St Vincent and the Grenadines, while substantial increases of about 61 per cent and 30 per cent were recorded in St Lucia and Antigua and Barbuda, respectively. In the other territories much more modest increases were registered.

Associated with the expansion in the growth of tourism activity is the buoyancy of construction. The bank said that while it is difficult to make an estimate of the respective levels of construction activity for the reason that building expenditure information is not readily available, the indications are that construction activity remained buoyant in Antigua and Barbuda, St Kitts and Nevis and Montserrat. In the Windward Islands, the maintenance of construction activity levels was associated primarily with the continuation of work on major public sector projects.

Manufacturing activity has shown modest recovery, increasing in St Kitts and Nevis with higher production of garments, electronic components and the production of food and beverages. A similar expansion was in evidence in Montserrat where electronic components are assuming considerable importance in exports. In St Vincent and the Grenadines, data for the first six months of 1987 indicated an increase in the exports of flour of some 22 per cent while in Grenada, food and beverage production had shown significant recovery from declines recorded in 1986.

Under the heading of trade and payments, the bank said the impact of the 11 per cent decline in the volume of banana exports to the United Kingdom was ameliorated to some extent by the appreciation of the pound sterling. Consequently export earnings fell by 5 per cent to 185 million dollars, compared with 195 million in earnings in the corresponding period of 1986.

Earnings from banana exports rose by 31 per cent to 61.7 million in Dominica, and 6.5 per cent to 7.6 million dollars in Grenada over the corresponding 1986 amounts, while St Lucia and St Vincent and the Grenadines suffered declines in earnings of 21 per cent to 79.9 million dollars and 11 per cent to 35.6 million dollars respectively.

In relation to other traditional commodities, nutmegs and mace exported by Grenada benefitted from substantially improved prices, with the result that earnings rose by 64 per cent and 40 per cent to 28 million dollars and 4.8 million dollars respectively.

With respect to sugar exported by St Kitts and Nevis, favourable exchange rate developments led to earnings of 30.3 million dollars, virtually the same amount as in the comparable period of 1986, despite a 12 per cent fall in volume exported. For most territories, only partial trade data are available. This limited information does indicate, however, that the trade deficit for the area has widened substantially, the bank said.

Preliminary data for the first nine months of 1987 put the extent of the trade gap for Grenada at 108 million dollars and in St Kitts and Nevis at 64 million dollars.

Based on six-month data, the deficit in St Vincent and the Grenadines was 53 million dollars and in Dominica, 24 million dollars. The rise in the trade deficit has to some extent been associated with investment-related imports but the bank said all the data was not available.

With regard to invisibles, estimates of gross expenditure by tourists have continued to show a considerable increase, ranging from as as much as 21 per cent for St Kitts and Nevis to a marginal rise in Grenada. Between these extremes, present estimates show rates of growth of tourist expenditures of 17 per cent in Montserrat, 12 per cent in Anguilla, 6 per cent in Antigua and Barbuda and 4 per cent in Dominica.

On public finance, the bank noted that nearly all ECCB member countries incurred fiscal deficits on current account in the years 1983 to 1985. With the recovery in economic activity however, the fiscal positions of most governments improved steadily to a situation where in 1986, and through the first nine months of 1987, all governments, except that of Grenada, recorded savings on their current operations. The savings realised by St Vincent and the Grenadines, St Lucia and more latterly, Antigua and Barbuda and Dominica have been quite significant, the bank said.

The deterioration in the fiscal situation in Grenada in 1986 followed the introduction of a reform programme aimed at restructuring the tax system. Several taxes were repealed including, income, company, consumption and hotel taxes. A new value-added tax was introduced as the major source of revenue in the new tax system. However, difficulties encountered in the administration and collection of the tax resulted in the yield being much lower than projected, and has been the major explanatory factor in the deterioration in the fiscal situation.

The central governments net borrowing requirements from the banking system have for the most part been indicative of the trends in their savings performances. Net borrowings in respect of Anguilla and Montserrat have been a declining trend, while in the case of St Kitts and Nevis, Dominica and St Vincent and the Grenadines, net credit rose sharply between 1984 and 1986, but then declined in 1987. The net borrowings of the central governments of Antigua and Barbuda and St Lucia rose in each year between 1983 to 1987, reflecting mainly current account dissavings in the earlier years and the financing of the capital account in the later years.

Governments participating in the ECCB are Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines.

St Lucia

Hunte Urges Compton To Resign Security Post

FL072120 Bridgetown CANA in English 2029 GMT 7 Apr 88

[Text] Castries, St Lucia, April 7, CANA—St. Lucia's parliamentary opposition has called on Prime Minister John Compton to give up his national security portfolio over his handling of the illegal drugs situation.

Opposition leader Julian Hunte said Compton should relinquish the post of minister of national security for admitting to parliament in his budget address that government knew who the pushers were and where crack was being manufactured, while he had done nothing to stop the spread of drugs.

In his budget address last Tuesday Prime Minister Compton admitted that the houses in which crack is manufactured and sold are known. Compton said that the effect of the consumption of illegal drugs has been shown in the growing number of mental health patients, but stopped short of saying why the criminals were not apprehended.

We are left as an opposition to conjure up all kinds of impressions in our minds as to what may be happening behind the scenes, Hunte said. I believe it is the most unfortunate remark made in the budget, and we demand a further explanation from the prime minister so as to clear his name on the issue, he added.

The opposition leader claimed that the most unfortunate thing that can befall a parent is to have a son involved with drugs. So we treat it lightly and like everything else in this country it becomes a political football, Hunte told parliament.

He contended that in spite of the serious effect which the drug trade is having on the country, government was taking the threat too lightly.

I am reliably informed that the prime minister has chapter and verse (on the drugs trade) on his desk, the opposition leader remarked. He also accused the government of not giving sufficient support to the police in their efforts to apprehend the drug pushers.

One of the reasons why this (drugs) situation exists is because the police have not been given the kind of support they need in order to bring the matter under some measure of control, he told parliament.

Hunte suggested that the area of enforcement had to be dealt with urgently, and endorsed a government move for the setting up of a special drug unit comprising police and customs officers.

I believe that a commission of that nature, if formed for enforcement, should be headed by the prime minister in his position of head of national security of the country, Hunte said.

Hunte promised that the opposition would do everything it could to assist in breaking up the organised drug trade.

This is not a political matter, he said. The people who market cocaine are no respector of persons. Crack is not marked with a party symbol but with addiction and death.

Trinidad and Tobago

No Confidence Motion Filed Against Robinson

FL072129 Bridgetown CANA in English 2005 GMT 7 Apr 88

[Text] Port-of-Spain, Trinidad, April 7, CANA—Opposition leader Patrick Manning has filed a no confidence motion against Prime Minister A.N.R. Robinson for debate in Trinidad and Tobago's House of Representatives later this month. The motion seeks the resignation of Robinson as prime minister.

If given the nod by the leader of government business, Dr. Bhoe Tewarie, the motion will come up for debate on April 22. The opposition Peoples National Movement (PNM) has requested, however, that debate begin on April 29.

Our concern has never been so much the internal wrangings of the NAR (National Alliance for Reconstruction-)...but how this affects the country, Manning told a news conference.

Manning filed the motion with House Speaker Nizam Mohammed.

The motion was filed Thursday against the backdrop of wrangling in the ruling party.

The internal conflicts climaxed in February, with Robinson firing three ministers amidst charges that they were plotting to oust him. The three included former foreign minister and NAR deputy leader, Basdeo Panday.

Saudi Petroleum Minister Pays Official Visit

PA072107 Mexico City XEW Television Network in Spanish 1300 GMT 7 Apr 88

[Text] Hisham Nazir, Saudi Arabia's minister of petroleum and mineral resources, has arrived in Mexico. He met with Fernando Hidiart, secretary for energy, mines, and parastate industry, with whom he discussed the short- and middle-term prospects of the international oil market.

On being greeted at the Pemex hangar, Mr Nazir gave assurances that Saudi Arabia would not again flood the market with crude, as it did in 1986 when the price of oil dropped to $5 a barrel. He pointed out that both Mexico and Saudi Arabia are important oil-producing countries.

The Saudi minister will meet later today with Mexican President Miguel de la Madrid.

Arrival Statement Reported

LD071236 Riyadh SPA in Arabic 1051 GMT 7 Apr 88

[Excerpt] Mexico City, 7 Apr (SPA)—His Excellency Hisham Nazir, the Saudi minister of petroleum and mineral resources and acting minister of planning, has stated that the Kingdom and Mexico are two important oil countries that will remain in the international oil market for a long time, even after many other states have left the market.

The minister said in a press statement upon his arrival in Mexico last night that the two countries must understand each other's oil policies and cooperate in this field with a view to achieving stability in the world's oil market.

In reply to a question about whether he believes oil prices are going to increase, the minister said: "Prices are the result of supply and demand factors and if there is a balance between supply and demand in the market, prices will gradually go up. This is not only the task of the OPEC member states but it is also the responsibility of all the producers inside and outside the organization."

The minister of petroleum and mineral resources denied the existence of a price war or attempts to flood the market with an increased production and he said in this respect: "OPEC production seems to be held up at the level of the ceiling fixed by the OPEC agreement signed in December 1987, or at slightly less than this ceiling."

The minister started an official visit to Mexico yesterday, arriving at 2000 Mexican time. [passage omitted]

Finance Secretary Comments on Economic Trends

PA072100 Mexico City XEW Television Network in Spanish 1300 GMT 7 Apr 88

[Text] Finance Secretary Gustavo Petricioli has warned that an economic stability program cannot be enacted without a reorganization of public finances. He stated that interest rates will continue to fall, and that so-called swaps [preceding word in English] would again be negotiated as of the second half of this year.

The finance secretary said that Mexican banks play a fundamental role in the Economic Solidarity Pact as a channel for consultation and consensus among all the sectors involved. Moreover, Petricioli declared that during the first months of 1988, $700-$800 million dollars have been returning to the country every 30 days. Finally, he said that inflation during March will be 5 percent, while the rate forecast for April is 3 percent.

The finance secretary made these statements at a seminar called: The Economic Solidarity Pact and Banking Prospects in 1988.

Repatriation of Guatemalan Refugees Announced

FL061158 Mexico City NOTIMEX in Spanish 1639 GMT 5 Apr 88

[Text] Cancun, Mexico—The local office of the Mexican Commission for Refugee Aid [Comar] has announced the voluntary repatriation of 44 Guatemalan refugees who lived in Mexico for the last 6 years, hiding from the military dictatorship of Efrain Rios Montt, who ruled then in that country.

According to Jorge Zavala Alegria, chief of operations of Comar, the refugees who left yesterday for the Guatemalan locality of Huehuetenango include members of nine families. It is the first group, out of 433 people who asked the UN High Commissioner for Refugees [UNHCR] and Comar to be repatriated, that has left for Guatemala.

Zavala Alegria stated that this group will be received by UNHCR in Comitan, Chiapas—the Mexican state bordering Guatemala—where the Mexican authorities' responsibility ends. Within this context, he said Mexico respects and will always respect the right of asylum and of voluntary repatriation.

The official noted that there are still 6,771 refugees in three refugee camps in the eastern Mexican state of Quintana Roo. Of this number, 76 persons, including members of 14 families, will leave on 15 April.

Residents of Border Town Meet With Salinas

FL071732 Mexico City NOTIMEX in Spanish 1612 GMT 6 Apr 88

[Text] Chetumal, Quintana Roo, 5 Apr (NOTIMEX)—Residents of Rio Hondo have asked Carlos Salinas de Gortari for a strict patrolling of the Mexico-Belize border zone because they consider it an open door, not only for Belizeans but for Salvadorans and Nicaraguans. There is a tense situation in these countries because of guerrilla activities.

The PRI presidential candidate for 1988-94 held a dialogue with residents of the area. He began here today the first stage of his campaign on the analysis of the development of areas bordering with Central America within the framework of the meetings on the subject that will take place in Ciudad Hidalgo, Chiapas, Matamoros, Tamaulipas, and Tijuana, Baja California.

During the meeting, the residents and the PRI candidate discussed the Central American situation and its impact in Mexico. The need to increase vigilance in the area was noted. The residents of Quintana Roo said: We are peaceful people and we want to live in peace without being influenced.

Likewise, people living in three border states mentioned cases in which 53 undocumented persons from El Salvador, Nicaragua, and Honduras had been detained.

The PRI presidential candidate responded that he is convinced all Mexicans should characterize the southern border area with the mark of progress because only by respecting, promoting, and encouraging the pride with which its residents live and by uniting efforts can the national sovereignty be preserved.

PPS Questions Removal of Envoy to USSR

FL072243 Mexico City NOTIMEX in Spanish 2349 GMT 6 Apr 88

[Text] Mexico City, 6 Apr (NOTIMEX)—The Permanent Commission of the Congress today rejected a request made by the deputy of the Popular Socialist Party (PPS) to the effect that Mexican Foreign Secretary Bernardo Sepulveda Amor appear before that legislative body. The commission considered the request to be groundless.

The PPS proposal, supported by the Mexican Socialist Party (PMS) and the Revolutionary Workers Party (PRT), said that the foreign secretary should explain to the peoples' representatives the motives for the removal of Ricardo Valero as Mexican ambassador to the Soviet Union.

The majority of the legislative body rejected the PPS proposal after taking into consideration the fact that Mexican President Miguel de la Madrid has the authority under the Constitution to remove members of the diplomatic corps when he deems it necessary.

Explaining the basis for the rejection of the proposal made by the leftist party, Senator Gonzalo Martinez Corbala said Valero's removal did no damage whatsoever to relations between Mexico and the Soviet Union. This action also does not display any lack of courtesy toward the USSR, said Martinez Corbala. He further said that this type of diplomatic practice occurs throughout the world with no explanations given. The senator insisted that there was not the slightest intention to be discourteous to the Soviet Union, a country with which Mexico makes an effort to have the best relations.

The meeting then turned to another proposal which was presented to the second commission of the legislative body. The request calls for Government Secretary Manuel Bartlett Diaz to explain to what extent the provisions that establish the law maintaining the inviolability of the Constitution and, in particular, the enforcement of Article 130 separating church from state, are being applied.

Hector Morquecho Rivera of the PPS made the proposal after pointing out that the Mexican clergy is once again attempting to intervene in policy.

Costa Rica

President Arias Views C.A. Conflict

PA072117 San Jose Radio Impacto in Spanish 1830 GMT 7 Apr 88

[Report on speech by President Oscar Arias Sanchez at ceremony where the National Insurance Company decorated him with the Jorge Escalante Padilla medal in San Jose; date not given]

[Text] [Begin Arias recording] Dogmatism, more than arrogance, is what prevents peoples in Central America from finding a solution to ideological differences. We all know the conflict is not only part of an East-West confrontation, but also part of a North-South confrontation. To a large extent, the lack of democracy, the peoples not being allowed to freely elect their government leaders, is why many people in desperation had no other alternative than to take up arms and go to the mountains—because time and again, the peoples' will expressed in elections was not respected. [end recording]

President Arias stressed that it is Costa Rica's duty to preach that dialogue can help advance a nation and that war prevents development and impoverishes nations.

Noting that Central American countries use more than 60 percent of their resources to buy weapons and thus cannot satisfy their needs, President Arias said that even Costa Rica, with all its peace and democracy, finds it difficult to satisfy the people's demands for public services. In this regard, he said:

[Begin Arias recording] For all those reasons, as one more fireman, I have wanted to quench the fire consuming other peoples in the area. The concern today involves both the North and the South. Hence, we must make a great effort so the other Central American peoples and Panama view Costa Rica as an example of a society that manages to resolve its problems in a civilized way: by talking, through dialogue. [end recording]

El Salvador

Duarte Comments on Human Rights, Corruption

PA080212 San Salvador Radio Cadena YSU in Spanish 1800 GMT 6 Apr 88

[Report by Carlos Ernesto Rugama]

[Text] Today President Jose Napoleon Duarte said that during his last year in power he will struggle to eliminate corruption in the country. Duarte said he does not know about the recent report prepared by the Dr Jose Antonio Pastor Ridruejo, UN special envoy for human rights, who stated that generalized corruption exists in El Salvador and that human rights violations have increased with the reappearance of the death squads:

[Begin Duarte recording] I cannot give my opinion about something I do not know about. [Words indistinct] I do not know about it, so I cannot give my opinion. It would be totally wrong to give an opinion. However, I can assure you this government has made an effort and will continue the struggle for human rights. This effort cannot be halted, because we believe in human rights. We believe the path cannot be found by violating human rights or in ignoring human beings' conditions. Rather, the path can be found by respecting such conditions, and that is called respect for human rights. Therefore, this is why we have been making such a huge effort.

Obviously, if you analyze conditions prevailing in El Salvador 5, 6, 3, or 10 years ago, you will find a huge difference between El Salvador then and El Salvador today. Of course, there will always be one or two cases, which could be used as examples of human rights violations. This is why we have established the investigation system, and this is why we have laws in the country and make those who do not wish to respect human rights comply with them. This includes all activities, including those people who go into the streets with clubs and those who generate terrorism in the country, which is also a human rights violation. This also implies that such faults must be corrected in order to improve the overall conditions in the country.

I believe if we approach the problem this way, we will see that the country has improved, but there is still a long path ahead. The path must be constructed within a framework of democracy and freedom. Therefore, you have always seen that the government has never spared any effort or has never interfered in publicity campaigns or the media, so they have the freedom they need for the country to live in democracy. This is very important.

Today, you have mentioned another aspect: corruption. There has been much criticism about the concept of corruption, which has been widely used as a political instrument. However, those specific cases that have been reported to me have been corrected. My duty as chief of the executive branch is to investigate any corruption cases involving government officials, and if I find someone is guilty, I have two choices: first, to take direct action by dismissing the person found guilty; and second, to transfer the specific cases to the pertinent authorities—the general prosecutor, the Supreme Court of the Republic, and the treasury general courts.

I have never avoided struggling against corruption, because I believe it is my duty. Therefore, I cannot admit that someone is going to talk about corruption as a mere propagandistic element. The point is that we must all correct the corruption existing in the country, at all levels. There are corrupters and corrupt people; and there are people who, in order to enjoy privileges, corrupt others. There are people who live off corruption. We must correct all those problems. This includes the entire society, because this is a phenomenon we must all fight so this society will be truly free. This is my task in

this government. Thus, there is no need to avoid fighting problems that may appear, because when problems appear, we must correct them. That is my duty, which I have fulfilled and will continue fulfilling. [end recording]

Duarte also affirmed that if the guerrillas do not cease their violent actions, there is no possibility of continuing the dialogue, suspended last year. Referring to the Zona Rosa case, he said there is an official resolution, which will be reported in the next few days.

Duarte made these statements after meeting with the first Pakistani ambassador to Central America, Abdul Fazl—who will live in Mexico and who presented his credentials to President Duarte today.

Honduras

Protest of Matta Deportation at U.S. Embassy

PA080326 Panama City ACAN in Spanish 0246 GMT 8 Apr 88

[Text] Tegucigalpa, 7 Apr (ACAN-EFE)—Tonight university and high school students set two automobiles on fire and caused damage at a U.S. Embassy building in Tegucigalpa in protest of the turning over to the United States of the alleged Honduran drug trafficker Juan Ramon Matta.

The demonstrators broke the glass windows of the building, which houses several offices of the diplomatic mission, among them the information service [USIS].

At 2015, it was reported that antiriot police were sent to the area to break up the demonstration of some 2,000 people.

[Panama City ACAN in Spanish at 0248 GMT on 8 April reports that the demonstrators broke an iron gate outside the building, which houses the U.S. Consulate. Some of the demonstrators were able to break into the consulate, while others were throwing burning objects.]

Embassy Guards Allegedly Kill 2

PA080433 Tegucigalpa Radio America in Spanish 0340 GMT 8 Apr 88

[Report by Radio America reporters from the U.S. Embassy]

[Excerpts] Radio America listeners, we are broadcasting while the riot police are in action; they are now occupying all of La Paz Avenue. This is a Radio America national network broadcast. We are newsmen; we are newsmen of Radio America national network trying to transmit details of what is happening here. We are Honduran newsmen trying to describe the situation and control people who are upset. One thing holds true: Some people are disturbed or have tense nerves because of what is happening on La Paz Avenue.

The riot police have occupied the whole avenue. Red Cross members are running from side to side. Attention: The first dead are being reported according to information provided to us by Companero David Romero and Mario Rolando Suazo. Jorge Alberto Diaz Castillo has also joined this transmission. David Romero, go ahead.

[Romero] Thank you, Cesar. Riot corps of the Public Security Forces are passing in front of us. We repeat: Two dead were reported [words indisitnct]; two dead among the demonstrators, according to initial reports [words indistinct] bullets that came from inside the U.S. Embassy [7-second break in reception] of the Halifax private security service; they were the ones who fired and killed two demonstrators.

[Reporter] Attention, Mario Rolando Suazo we (?have) radio equipment to listen to the transmission. Moments ago, firemen confirmed two dead at the U.S. Embassy. [passage omitted]

[Reporter] At this moment, the firemen are entering the U.S. Embassy. Radio America calls on the people who are in the vicinity of the U.S. Embassy to leave the area to allow firefighters to do their work.

Girl Dies in Fire

PA080451 Tegucigalpa Radio America in Spanish 0357 GMT 8 Apr 88

[Text] [Announcer] Now we make contact with Jose Elan Reyes Pineda [at the U.S. Embassy].

[Reyes] At this time, the majority of the people who were inside the consulate have been evacuated, because part of the second or third floor, I believe, has been burned. The third floor caught fire and the people who were in another area taking refuge are the ones who were evacuated a few moments ago with the help of the riot police who went inside as it burned—went inside the main entrance of the USIS [as heard]. However, regarding the [U.S.] Embassy, only part of the wooden structure suffered some damage. Now here is Mario Suazo. What is going on in that area?

[Suazo] This is Mario Rolando Suazo with the walkie-talkie equipment. Apparently a little girl was burned. Here is [words indistinct] from the embassy, listen:

[Speaker] That is the way it is. We want to report to the listeners of Radio America that a girl named Betty Giovanni Molina died in the fire, according to information we have gathered. At this moment, an American is telling all the local and foreign press reporters to get out. He is saying, you heard him, that Hondurans belong outside. He is right, since the U.S. Embassy is U.S. territory, and he told us to our face: You outside, you do not belong here; and he is evicting the press.

We repeat, the girl who died is Betty Giovanni Molina. A U.S. official who [words indistinct] possibly belongs to security. We do not know who she is. Go ahead, Romero.

[David Romero] U.S. Embassy officials are now arriving virtually when the fire is over and when public security forces have arrived to cover their backs. They did not show up before this, and now they have thrown us out from where we had been reporting [words indistinct] cars that were burned [words indistinct] the firemen are controlling the fire.

A U.S. Embassy official says he is sorry for what has happened, but that this is diplomatic territory; you do not belong here. That is the opinion of the U.S. Embassy official, which we respect. They are right, because we are in the embassy. What is deplorable are the dead and wounded.

2 Die, 14 Injured

PA080455 [Editorial Report] Tegucigalpa Radio America in Spanish at 0344 GMT on 8 April broadcasts a report by Radio America reporters in Tegucigalpa on the demonstrations at the U.S. Embassy buildings. One reporter says that "a security cordon has been established a few meters from the embassy." Reporter Mario Suazo reports from the U.S. Consulate gate that many vehicles inside the consulate area "have caught fire. We are warned that other vehicles might explode. We see that other vehicles have caught fire."

Another reporter on the scene, David Romero, says: "There are approximately 20 cars in this area. One of the tires has just exploded. Two or three of the vehicles have yet to explode. Approximately 20 vehicles in the U.S. Consulate's parking lot have caught fire. The vehicles in the U.S. Embassy's parking lot have also caught fire. Approximately 30 vehicles are now on fire. The firemen are now trying to put out the fire inside the U.S. Consulate."

David also confirms "that 2 people have died and 12 have been injured this evening when hundreds of people gathered in front of the U.S. Embassy for a demonstration. Another vehicle has just exploded." He adds that "the same thing happened in San Pedro Sula. It seems that the U.S. Consulate in San Pedro Sula has also been set on fire." He reports that "the U.S. Consulate is on fire. The U.S. Embassy did not catch fire; only the windows were broken. There is glass and debris all over the place." David then explains that the two deaths were caused by bullet wounds. "According to the reports," he says, "the shots came from inside the U.S. Embassy, which is provided security by the Halifax Co."

Another reporter says that "the situation is normal near the Foreign Secretariat. The police antiriot squad members are here, trying to control the situation along the avenue."

4 Deaths 'Confirmed'

PA080550 Tegucigalpa Radio America in Spanish 0405 GMT 8 Apr 88

[Report by Radio America reporters from the U.S. Embassy]

[Excerpts] [Eduardo Amado Lopez] [Passage omitted] Our mobile unit is a few meters from the U.S. Embassy. This report is for Colombia's RCN [Radio Cadena Nacional] and Honduras' Radio America. At present, the situation has returned to normal. We repeat to the entire country: The situation has returned to normal. Radio America has constantly appealed for restraint so the situation would return to normal. We want to say that at this very moment we will contact Felipe Pierot and Mario Rolando Suazo. They are in front of the U.S. Embassy where firemen are apparently removing the people injured or killed in this incident in Tegucigalpa.

[Suazo] Amado Lopez, we are with Mario Suazo and Javier (?Danilo) Villalobos, who have joined Radio America here. The truth is that all of us were removed from the U.S. Consular offices. It was confirmed that four people were killed. A girl apparently was killed. Her name is Betty [name indistinct] Molina. One of the people who was in the demonstration confirmed that the shots came from inside the U.S. Embassy. One student leader came to our microphones. Later he disappeared fearing he would be arrested. He confirmed the number of people killed. We also want to note that the firemen have practically controlled the fire inside the U.S. Consulate. We regret that the U.S. security agency prevented us from conducting our journalistic work. We want to point out that the Honduran Armed Forces have not hampered our work. The FUSEP [Public Security Force] or the Cobras [the riot police] have not hampered our work. The U.S. security office prevented us from conducting our work inside the Embassy. They even repressed newsmen. [passage omitted]

[Reporter] To the international news media receiving our report, we want to say we can still see some flames inside the U.S. Consulate in Tegucigalpa. The Honduran firemen have been unable to control the flames. The firemen have just extinguished the fire on the first floor or in the building's main entrance. The worst problems took place here during the disturbance. The firemen are trying to give some motives for this incidents. We have already reported them on Radio America. Here is a general description of all that has happened on La Paz Avenue at the U.S. Embassy.

[Reporter] Smoke can be seen and felt in the air. We also want to say that in the middle of this street there is a burned-out car. Some floors or installations in this diplomatic mission are, as my colleague said, still engulfed in flames. The police and the Red Cross are also trying to take to the hospital some of the people injured in this incident in Tegucigalpa today.

[Reporter] [Words indistinct] in sum, the consulate's fifth floor caught fire. The third, second, and main floors on the southern side caught fire. [passage omitted]

[(Marco Romero)] According to reports we have gathered, the U.S. security agency is directly responsible. U.S. security began firing from the U.S. Embassy, not from the consulate. As a result, one of the demonstrators was allegedly shot in the forehead, according to a person who was in the demonstration. Most of the demonstrators have left. Four people were killed. What happened is truly regrettable. Honduran authorities will have to see what measures to take in this case.

Down in the basement, where the USIS offices are located, the fire has not been extinguished. The furniture was destroyed. U.S. personnel, chiefly the cleaning staff, were inside the U.S. Embassy. They took refuge on the fifth floor. They are being removed. They have been injured, mostly by the smoke. One of the boys who was working inside the Embassy said he could not stand there for a long time because he ... [changes thought] he was unable to enter. I think he told us he was unable to stay inside the consulate for long due to the smoke and the polarized [polarizado] glass. He is the one walking around with a camera. We think he is a U.S. Embassy official. He could not stand it. Here is Mario Rolando Suazo.

[Suazo] A few minutes ago we talked with Frank Medina, the public relations officer of the Firemen Corps, who is here at the site of the incident. He said that it is impossible to be inside the building because the smoke is very heavy. [passage omitted]

[Reporter] We want to reiterate again that the situation has returned to normal here in the U.S. Embassy. The smoke is irritating the eyes of the newsmen who are here to bring information to Radio America's listeners. It is regrettable what a person said. He said that the demonstration was heading toward the home of President Azcona.

[Reporter] The problem is that that is the fury of Tegucigalpa's people, because the Constitution was violated. We want to say that, as Mario Rolando Suazo said, the Honduran Armed Forces acted with moderation. Mario Rolando Suazo and I talked to one of the officers coordinating this operation. He said: What a mess we have gotten into. This is what he said—that it has become complicated for us. We asked him why the Honduran Armed Forces took so long to arrive. The officers said that the decision was up to the High Command. They had not been given any orders, although they were ready. However, it took a long time to make the decision. This means that one way or another, the top military command is worried about what happened this afternoon here in Tegucigalpa. We repeat: Part of the U.S. Consulate was engulfed by the flames. Several floors were burned. People were killed. There was a confrontation with U.S. Embassy security agents.

We are truly worried by what the officer coordinating the operation told us. The decision was late because there was concern. They [not further identified] are worried over what happened here today. As our colleague and [name indistinct] Villalobos reported, the demonstration is heading toward the home of President Azcona. We are going to move there now. [passage omitted]

Government 'Regrets' Incident

PA080505 Tegucigalpa Domestic Service in Spanish 0432 GMT 8 Apr 88

[Communique issued by the Press Secretariat of the Presidency in Tegucigalpa on 7 April]

[Text] Press Communique:

The Press Secretariat of the Presidency of the Republic refers to the latest events and states to the Honduran people:

The government of the Republic deeply regrets that an act of social protection, carried out to benefit the country, unleashed the current wave of violence that wise Hondurans must repudiate.

The government of the Republic also deplores that some of the news media have contributed to create this atmosphere of violence, even though His Excellency President Jose Azcona personally talked with some news media owners and asked them to act wisely when reporting the events.

The government of the Republic urges the citizenry to remain calm. You may rest assured that the actions carried out by the authorities are exclusively aimed at protecting the country's interests.

Tegucigalpa, D.C., 7 April 1988

Foreign Minister Comments on Matta's Arrest

PA071455 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 7 Apr 88

[Report on interview with Foreign Minister Carlos Lopez Contreras by Danilo Antunez; date, place not given]

[Text] [Antunez] How can the executive branch explain Ramon Matta's arrest and his being turned over to U.S. authorities, violating Article 102 of the Constitution?

[Lopez Contreras] I cannot answer that question; we have not discussed that subject. I learned about it through the media last night and still do not have a clear

understanding of the situation. It is an internal matter. I understand he was arrested by Honduran authorities with an arrest warrant issued by a court.

[Antunez] What is your opinion of this action?

[Lopez Contreras] It can be viewed as an irregular situation; anybody can see that. However, at this time I cannot say whether it violates international or constitutional law. The events took place very quickly, so I do not have the necessary points of reference to answer that question. I have ordered my advisers and secretariat to investigate this action in terms of both domestic and international law.

[Antunez] Did the United States request Matta's extradition through the Foreign Ministry?

[Lopez Contreras] I have no record; however, I will investigate this matter and will report on the results.

[Antunez] Foreign Minister Lopez Contreras said there are extradition treaties with the United States that could facilitate the extradition of Hondurans despite what Article 102 of the Constitution says.

[Lopez Contreras] As I said, I have ordered an investigation. According to the preliminary information I have on hand, there are several treaties. However, the one I quickly reviewed before coming here was signed in 1912. It was approved and ratified by the two countries. I do not know to what degree it has been implemented in the past; however, I know it has not been abolished.

Deputies' Manifesto Condemns Matta 'Kidnapping'

PA072008 Tegucigalpa Voz de Honduras Network in Spanish 1800 GMT 7 Apr 88

["Text" of manifesto signed by deputies of the National Congress in Tegucigalpa]

[Text] Manifesto to the sovereign National Congress:

We, as deputies elected by the sovereign will of the Honduran people, regarding the events of 5 April 1988, when Honduran citizen Juan Ramon Matta Ballesteros was kidnapped in our country by a foreign nation—in collusion with our authorities and in flagrant violation of Articles 2, 102, 8285, and 8482 of our Constitution—firmly state the following:

1. We firmly condemn the kidnapping of citizen Ramon Matta Ballesteros. This act violates constitutional precepts that are the only guarantees to living in a society that aspires to justice, liberty, and democracy the Honduran people enjoy.

2. We firmly repudiate the violation of our sovereignty and legal system, as provided for by the Republic's Constitution and laws.

3. We demand that the Supreme Court of Justice firmly execute the pertinent legal acts against the authorities who have perpetrated and attacked our Constitution, and apply the punishment demanded by our laws, so that it will serve as a precedent to guarantee that those who are obliged by their duty and patriotism will fulfill and ensure fulfillment of the Constitution and the laws.

4. We demand that the government of the Republic, through a representative of the United States, demand the immediate return of Juan Ramon Matta Ballesteros so that he can be tried in our country and so that our judiciary system, which is guaranteed by the Republic's Constitution, may be respected.

5. Last, we demand that our authorities, in view of this fatal plague of increasing disrespect for our laws, counter any violation of our laws that harms our dignity as a nation, so that the schools, colleges, and universities can teach that the Constitution and the laws must be respected without distinction between colors, creeds, or restrictions of any sort, and so that we can achieve the welfare, peace, and tranquillity of an independent, free, and sovereign Republic.

6. We wish to clearly establish that we condemn drug trafficking and all its implications, and we call on our government, in conforming to our laws, to act against those Hondurans—civilian and military—who, after the respective investigations, are found to be linked to the same.

Tegucigalpa, D.C., 2 Apr 88 [date as heard]

Signed by the deputies

Nicaragua

Government, Contras Agree on Enclaves

PA071407 Managua Radio Sandino in Spanish 1200 GMT 7 Apr 88

[Text] The special government and contra delegations both said yesterday that the meeting on the procedural aspects of the cease-fire may be extended until tomorrow.

Yesterday the government and the contras agreed on the location of the seven areas in which the rebels will gather, which will involve an area of 21,000 square km.

Major General Joaquin Cuadra Lacayo, vice defense minister, said the last topic on the agenda, the procedural aspects, will be broached today. He pointed out that yesterday's work on the location of the zones was very intensive. The seven zones, which will cover 21,000 square km, will be located as follows: two in the central region, two in the north, two on the Atlantic coast, and one in the southern region.

The contras have said they have a concrete proposal on the procedural aspects that they will submit to the special government delegation in Sapoa today. Maj Gen Cuadra, who is chief of the EPS General Staff, said the government has no concrete proposal on this issue; we have a set of elements and practical ideas for discussion, he noted. Nicaragua's position on the procedural aspects is reasonable, he stressed.

A contra spokesman who referred to their proposal on the procedural aspects refused to give details. Contra chieftain Tono asserted that the discussions on this issue may end during today's meeting, but if not, the talks will continue tomorrow.

Cuadra on Talks

PA080053 Managua Domestic Service in Spanish 2232 GMT 7 Apr 88

[News conference held by Vice Defense Minister Major General Joaquin Cuadra Lacayo with unidentified reporters in Sapoa—live]

[Text] [Cuadra] A proposal on the modus operandi has been presented to the Nicaraguan Government's special delegation. This proposal, which was made public moments ago, is being analyzed by the government's delegation. We agreed to continue meeting tomorrow at 1000 to allow the Nicaraguan Government's delegation to express its views and to present its proposal on the modus operandi.

That is what we have been working on today. In the morning, we defined some details that were still pending on the location and size of the areas; we also drew up maps with the specifics of the areas. The proposal was presented in the afternoon. We discussed it. Our delegation received it and will analyze it tomorrow; we will discuss this proposal presented today to the government's delegation.

[Reporter] What has been discussed so far with the contra representatives?

[Cuadra] We have had lengthy discussions and, regarding the areas in which we have reached agreements, we discussed many details. Of course, we still have to discuss the modus operandi proposal presented by the Resistance today. The Nicaraguan Government's delegation will analyze it.

In general, we feel that progress has been made. We already addressed an important part of the agenda—that is, the specific locations. We will now discuss the final part. This part will undoubtedly require a lot of discussion to reach a final agreement, which will be reached once the entire package is finalized.

[Reporter] Does the modus operandi necessarily have to be based on the concept of national sovereignty? Does it?

[Cuadra] That is correct. We are not here to discuss aspects related to national sovereignty; that is not a topic to be discussed in this forum or at any other forum. The country's sovereignty [words indistinct] not discussed.

The Resistance's proposal contains some positive points; some points that the government has no problem in considering. However, it also contains certain aspects that directly or indirectly are related to sovereignty, which will undoubtedly deserve a reply from the government's delegation.

[Reporter] Is there only a proposal from the Resistance? Did the government also propose something? I mean did only the Resistance propose a modus operandi? Did the government also propose one?

[Cuadra] No, the government's delegation made a presentation on certain elements within the general framework of the modus operandi. The Resistance presented a full, written proposal. This proposal will be analyzed; it will be discussed (?all day long) tomorrow.

[Reporter] The Resistance is saying that a company [word indistinct] be tasked with channeling humanitarian aid. They are also saying that, if necessary, third countries, which were not identified, could channel the aid. Is this issue related to your statement moments ago that some points could be detrimental to sovereignty?

[Cuadra] You already know about the proposal they just made public. They have the right to propose anything. In the past, they have made many different kinds of proposals. They can propose that it be a company, a business enterprise, or anything else. They have the right to propose anything, but what will in fact be discussed from the government's standpoint and within the framework of agreements signed in this municipality and within the framework of Esquipulas is another matter.

[Reporter] Today Bosco Matamoros said that the neutral organization would be chosen by them at Sapoa.

[Cuadra] The neutral organization is an issue that... [changes thought] First, the two sides must reach an agreement. The organization cannot be neutral if only one side chooses it at will without taking the other side's views into consideration. Nicaragua has the sovereign right to reject any presence in its territory, waters, or airspace if it is considered a violation of its sovereignty or if it was not previously discussed and approved by the Nicaraguan Government. The neutral organization to be in charge of bringing the humanitarian aid to the contras was initially appointed by the same one who is giving the money and has been giving the money to the contras: the U.S. Government.

The U.S. Government recently issued a law clearly stating that the neutral organization must be appointed within the framework of and consistent with the Sapoa agreements. The interpretations of that law, based on

U.S. Congress discussions, clearly specify that the neutral organization will be proposed by the contras to the Nicaraguan Government. If there is no agreement between the contras and the Nicaraguan Government about the neutral organization, the issue will be settled by the verification commission that was established in the Sapoa agreements. This is quite clear and evident, so we do not have to argue about which organization it will be. That is all clear. We are willing to hear their proposal and see if it is convenient, interesting, and feasible. We think it is necessary to hire a neutral company or organization to bring the aid, and we demand the guarantee that it will be strictly neutral. If the government feels the company is not neutral, then no company will be allowed to enter the country through a previously agreed upon area.

[Reporter] Commander Cuadra, Directorate leader Aristides Sanchez said that if the Nicaraguan Government does not provide protection in Managua for his delegation, they will not attend the forthcoming meeting at Managua. Did you receive any message to this effect addressed to the Government of Nicaragua?

[Cuadra] Yes, we recently received a reply to General Ortega's letter in which, first, they accept the date proposed by the government—15 April—for the meeting. Second, they said it is important to consider a proposed program they sent and that was publicly announced. The government wants to clearly establish that the purpose of the Managua meeting is to continue with the discussion for a definite cease-fire. While they are in Managua, their forces continue to be armed—even within certain areas. They are representing a force that is armed; therefore, they cannot carry out open, normal, political activities as any other political group or politician in Nicaragua representing a force that has not risen up in arms against the government. As long as they are representing that force, the treatment given to them will be within the framework of a working meeting, complying with the Sapoa agreements in order to discuss specific aspects on a definite cease-fire, and not to discuss other issues or carry out other types of activities.

[Reporter] Tono, one of the contra leaders, said that on 12 April they will release some Sandinists in [words indistinct]. Could you comment on this?

[Cuadra] Yes, that is pending a proposal they made to hand over some prisoners they have in their camps in Honduran territory. They have proposed delivering these prisoners in exchange for some [words indistinct] on the banks of the Coco River bordering Honduras. We are analyzing that and considering its feasibility.

Undoubtedly, our government is interested in the release of any prisoner or abducted person they are holding. They have not provided the names or the exact number of prisoners. They only expressed their willingness to do that. We are analyzing that proposal. Tomorrow we will finish discussing these issues linked to the [words indistinct].

[Reporter] Commander Cuadra, did you really clarify the issue concerning the commitment they insisted on with regard to the release of 100 prisoners, including [Somozist] guards?

[Cuadra] Well, that famous commitment that the Nicaraguan delegation headed by Gen Humberto Ortega supposedly made has been used politically. In a letter, which is a letter in reply to Gen Ortega's letter, they clarified that in fact there was some confusion, misunderstandings, and operational problems that hindered the feasibility of fulfilling that commitment. It was their fault. Today they almost admitted to having made some mistakes.

[Reporter] How do you assess the decisionmaking power of the contra delegation, which has come here to discuss the modus operandi pertaining to the zones? Do you think you will reach some definite agreement?

[Cuadra] At yesterday's meeting and since 28 March, when we started these talks, they said and have been saying that the special commission headed by Aristides Sanchez is empowered to discuss and to reach certain agreements. However, they said that, in principle, they must refer the agreements to their directorate and to their assembly.

However, in the reply to Gen Ortega's letter, which is dated 7 April, they say that the Nicaraguan Resistance special commission—which is the one we are working with right now and which is attending the Sapoa talks—has an express order to conduct the talks because it is authorized to do so. From that letter, we understand that any agreements reached here concerning the location, size, and modus operandi of the zones will be tantamount to a final decision.

[Reporter] Major General, as long as point No 2, which is being discussed now, is not fulfilled, can they speak of humanitarian aid or can they demand fulfillment of other points of the Sapoa agreements?

[Cuadra] A U.S. AID spokesman talked about the beginning of an alleged delivery of aid to the contras living in camps in Honduras. That worries our government very much. Our government sent letters to the [words indistinct] verification commission, to Cardinal Obando y Bravo, and to OAS Secretary General Joao Baena Suarez. In those letters our government expressed its concern about those issues. We hope that violations of the agreements will be stopped. It [a delivery of aid to the contras] would definitely be a violation of the agreements.

The Honduran Government agreed to play that game. We believe the Honduran Government will be left high and dry, because we are sure that the influence of the verification commission and of Cardinal Obando y Bravo and Baena Suarez will stop that delivery. We are sure of that, and Honduras will again be left high and dry.

However, we reiterate that any supply operation or delivery of aid approved by the U.S. Congress to the contras before the completion of the agreements we are discussing at this meeting and before we agree on a specific neutral organization to channel that aid will definitely be in violation of the Sapoa agreements, which will entail consequences. Thank you very much.

RN Wants Guarantees

PA071826 Managua Radio Corporacion in Spanish 0400 GMT 7 Apr 88

[Report on telephone interview with Nicaraguan Resistance (RN) spokesman Bosco Matamoros by unidentified reporter; date not given—passages within quotation marks recorded]

[Excerpt] [Passage omitted] [Matamoros] "We presented at yesterday's meeting our views on the cease-fire violations committed by the Managua government forces. We presented clear evidence to Cardinal Miguel Obando y Bravo and OAS Secretary General Joao Baena Soares that the Managua government has not complied with the commitments made in the Sapoa agreements, including reports that shelling was carried out on 2-4 April in different areas of Nueva Segovia Department; and in the municipalities of Wiwili, Chachaguito, and El Bambu, among others, in Jinotega Department."

Bosco Matamoros also mentioned charges of murder lodged by the RN.

[Matamoros] "We reported to the observers the murder of peasant Martin Sosa in northern Zelaya by a patrol of the Ramon Raudales Unconventional Warfare Battalion, as well as the murder of peasant Jose Felix Prado in Rio San Juan Department. We also reported attacks on our forces by EPS units. There has been an average of five such attacks a day since the truce was signed. There have been approximately 60 violations by the EPS forces."

Bosco Matamoros said the primary objective of these negotiations is to guarantee the security of the fighters in the special enclaves or zones.

[Matamoros] "Our goal is to guarantee the safety of our fighters, to ensure that they receive logistical supplies, and to guarantee that they have (?food) and adequate communications. We are obviously not going to reach any agreement without these guarantees for our forces."

Contradicting statements made by EPS Major General Joaquin Cuadra, the RN spokesman said the rebel forces in the special enclaves or zones will retain their weapons.

[Matamoros] "Throughout the truce, our forces will retain their equipment, weapons, and ammunition until the Nicaraguan Government has fulfilled all the promises it made on signing the Sapoa agreement, promises that so far have not been kept." [passage omitted]

RN Reply to H. Ortega

PA080130 Managua Domestic Service in Spanish 2254 GMT 7 Apr 88

[Text] We have received a copy of a letter from the counterrevolution, responding to a note sent by Army General Humberto Ortega Saavedra a few days ago to the contras. However, the response was received today. Let us listen to the letter, which is very important:

Gen Humberto Ortega Saavedra, Defense Minister:

Referring to your 4 April note, we reiterate that, based on the meeting we had, we had the right to provide a list of 100 prisoners to be released on Palm Sunday. However, when the agreement was read before the two witnesses, this point was not mentioned. At that time, Mr Aristides Sanchez had agreed to supply the aforementioned list to Mr Lenin Cerna, but this was not done because of flight connection problems. The list was sent on 26 March. We admit our list included former officers [words indistinct], the letter signed by Adolfo Calero, Pedro Joaquin Chamorro Barrios, [name indistinct], and Luis Sequeira Segura, and Azucena Ferrey, reads, all of them members of the counterrevolutionary leadership.

We admit, they said, that our list, which was approved prior to the Nicaraguan Resistance [RN] actions, included officers [words indistinct]. Therefore, they were not covered in the verbal agreement. This was an involuntary error, the letter states, caused by the lack of time. We agree that it would have been much more politically favorable—and according to the crystal-clear conditions that shall prevail in our talks—to have included the list in the agreement. However, the circumstances did not allow it.

The Nicaraguan Government has an absolute control on the paper supply and on the [foreign] exchange to purchase paper. Therefore, the argument that the paper shortage in LA PRENSA is not the government's responsibility is not justifiable, the letter sent today by the RN, in response to Commander Humberto Ortega Saavedra, states.

It is obvious and revealing, the letter adds, to observe how, on the day when the RN, or the contras, was going to send its delegation to Managua, the main daily in the country and the only nongovernment newspaper—LA PRENSA—was not published because of the paper shortage, which is a product BARRICADA and EL

NUEVO DIARIO were not lacking. We regard this fact as a violation of the Sapoa agreement, which guarantees unrestricted freedom of press.

The counterrevolution special commission participating in the Sapoa talks was a specific mandate, and for this purpose, the commission has been invested with the adequate authority.

Major General Joaquin Cuadra: This is a very important point to clarify. The contras are now saying they had been granted the necessary authority to sign the agreements being discussed here.

We believe, Adolfo Calero, Pedro Joaquin Chamorro, and Azucena Ferrey state in the letter—in which the signature of Aristides Sanchez', member of the counterrevolution's Directorate, inexplicably does not appear—that before starting the high-level talks it is necessary to further (?discuss) the Sapoa negotiations without pressure or conditions, to avoid misunderstandings, and to give the necessary attention to the details that should be taken into account and should be included in this kind of agreement.

Considering that this war has been going on for the past 7 years, that Contadora held meetings for 5 years without yet reaching conclusions or solutions, that the Esquipulas agreements have been in effect for months, and that the committments established in the Esquipulas agreements, which had not been fulfilled by 16 January, should be fulfilled immediately, quote, according to the Central American presidents joint declaration, we believe—RN Directorate members Adolfo Calero, Pedro Joaquin Chamorro Barrios, and Azucena Ferrey said—that extending for a few days the dates for our meetings is a significant improvement, in view of the background and the seriousness and caution with which such delicate matters as the ones we are discussing should be treated. We agree with the 15 April date—which was proposed by the Nicaraguan Government—for the high-level meeting in Managua, provided our delegation is granted the due considerations, which have been specified in the proposal you already have received. [no "unquote" as heard]

We repeat, this letter was sent today to Defense Minister Commander Humberto Ortega Saavedra, chief of the delegation discussing the cease-fire with the contras. The letter is signed by Adolfo Calero, who was already here; and Pedro Joaquin Chamorro Barrios and Azucena Ferrey, who have not come here either; they are in Miami and in Costa Rica, respectively. Azucena Ferrey is in Costa Rica today, and Chamorro remains in Miami.

Letter to OAS Secretary General on Contra Aid

PA071952 Managua Domestic Service in Spanish 1816 GMT 7 Apr 88

["Text" of letter to OAS Secretary General Joao Baena Soares from acting Foreign Minister Victor Hugo Tinoco; date not given—live or recorded; read by Tinoco]

[Text] Mr Secretary General:

I have the honor of addressing you as a member of the verification commission established by the agreements signed in Sapoa on 23 March between the constitutional Nicaraguan Government and the irregular forces of the resistance within the framework of Esquipulas II.

Yesterday the director of the U.S. AID said that the humanitarian aid to the contra forces, which was approved by the U.S. Congress on 23 March, would begin to be delivered this week through Honduras. This statement is of deep concern to the Nicaraguan Government, because if this policy is implemented it would be a grave violation of the Sapoa agreements. Point No 4 of these agreements clearly establishes that all humanitarian aid to the contras' irregular forces, quote, will be channeled through neutral organizations, unquote, once the aforementioned irregular forces are located in the zones to which Point No 2 of the Sapoa agreements refers.

Nicaragua cannot accept a U.S. Government agency, on its own, proceeding to deliver aid to the contras and that this delivery be made in Honduran territory, where the contra bases are located.

The Nicaraguan Government feels that all humanitarian aid to the irregular forces must be delivered through Nicaraguan territory and with the Nicaraguan Government's authorization, once the verification commission has confirmed the irregular forces are located in the cease-fire zones.

The Nicaraguan Government also feels it must stress that the humanitarian aid the irregular forces would receive must consist strictly of food and basic supplies; in other words, clothing, medicine, and shelter. It must not include any type of communications equipment or supplies, because these articles are of military value.

As a member of the verification commission, my government feels it is extremely urgent that you issue a statement that the AID plans are a violation of the Sapoa agreements. The implementation of the AID plans would endanger the entire peace process begun in Sapoa. My government also believes it is extremely important that you state that the humanitarian aid cannot include communications equipment.

I take this opportunity to express to you my highest respect and esteem.

[Signed] Acting Foreign Minister Victor Hugo Tinoco

Ortega, Mozambique's Chissano Meet Peasants

PA071529 Managua Radio Sandino in Spanish 1210 GMT 7 Apr 88

[Report on statements by President Daniel Ortega and Mozambican President Joaquim Chissano to a group of peasants of the 16 July cooperative in Tisma on 6 April]

[Text] [Begin Ortega recording] If the aid approved for the contras serves the implementation of the peace agreement so we attain peace, then this aid can turn into

positive aid. Otherwise, it is not positive aid and is illegal. It is illegal because the U.S. Congress does not have any right to be intervening in Nicaragua; it does not have a right to say what type of regime Nicaragua should have; it does not have a right to tell us what we Nicaraguans should do internally or what democracy is. There is no reason why it should tell us those things. They want to tell us all of this through that form of aid. They are now discussing how the aid should be given. According to the Sapoa agreements, the contras can only receive this aid if the Nicaraguan Government and the contras agree on the way this aid is given [words indistinct]. However, they do not have the right, as a U.S. official was saying yesterday, to, for example, send that aid to Honduras and from there to secretly send that aid to the contras. They cannot do this. They would be violating [words indistinct]. The important thing is that the aid effectively help peace; otherwise it is senseless. We as a government cannot accept or applaud that type of aid because the U.S. Congress should tell the U.S. President: what you must do is seek a way to normalize relations with Nicaragua, and you must stop waging war on Nicaragua and stop harming Nicaragua. That U.S. Congress should do this.

No one is going to be deceived here. The peasants are not going to be deceived by their speeches. Therefore, we are not afraid of that type of struggle. That struggle has already been won. The most important thing is to defeat the war. To defeat the war, we must maintain the strength of defense because the Yankees already want to disarm us. What madness! We are not going to disarm ourselves. We are going to maintain the level of arms necessary to defend this country. If all the Central American countries reach an agreement on arms limitation, we will respect it, but it must be equally applied to all Central Americans. It cannot be solely for Nicaragua and not for the other Central American countries. The measure must be the same for everyone. [end recording]

The lands given to the peasants, the child development centers, and other principles of the revolution will not be turned back even if peace is reached in Sapoa. On the contrary, the agrarian reform is being intensified, Nicaraguan President Commander Daniel Ortega said.

[Begin recording] [Ortega] We cannot neglect defense. We cannot neglect it. The military service cannot be neglected, either. We must continue to strengthen it. We must strengthen production and the military defense. These two things must be done. [Words indistinct] the defense [words indistinct].

[Speaker] Mr President, [words indistinct] what you say [words indistinct] what measures will be taken?

[Ortega] For the agreements to work [words indistinct] we cannot reduce the country's defense capacity because our struggle is not only against the contras. The contras were simply an instrument of the Yankees in the aggression. If the agreements were to fail because the Yankees want the agreements to fail, if they fail, then we have to be prepared to finish off those who do not accept the agreements, in other words, the contras who do not accept the agreements. We must be ready to fight them and to launch an offensive with all available forces so as to finish them off once and for all and so the war will not be excessively prolonged.

However, we cannot neglect defense in the face of what might be a Yankee intervention. The Yankees can intervene. You know the Yankees can intervene. Do you think the Yankees cannot intervene? We cannot trust them. Or are we going to trust them? [crowd says: "No"] We cannot trust them. Because we cannot trust the Yankees when they [words indistinct] we cannot believe the Yankees. They have not normalized their relations with Nicaragua. This forces us to maintain the country's defense. [Words indistinct] the service cannot end because the only way the Yankee will understand that he should not enter Nicaragua is to see that all the people are organized in the defense. He will then say: No, I better not go in there because I will have to [words indistinct] all the people. The Yankee will come if we reduce our defense.

This is what they are doing in Panama. They are entering the Panama Canal. Troops are coming in [words indistinct] so as to launch a direct aggression against Panama. That is dangerous, dangerous for Nicaragua, for Latin America, for the entire world.

[Speaker] Mr President, what answer [words indistinct]?

[Ortega] They should take this seriously. We have told them it is dangerous to play around with the people. I met with them a few weeks ago, and I told them clearly that they had to understand that the revolution exists and must be respected, that room was being made for them, but that they could not side with the U.S. aggression, because the people cannot permit that.

In other words, they have to work now to consolidate peace. They have to make a real effort in this regard.

[Chissano] In Mozambique, we also proclaimed amnesty, and we received all the rebels who surrendered, because we want them to be patriots and defend the country's sovereignty and independence. We want to resolve our internal political affairs without foreign intervention. [applause]

[Speaker] Some people are confused. They believe the land will be returned to its former owners. Some people are saying this. Now that we peasants are gathered here, could you explain this to us directly? Some of us are confused.

[Ortega] Does the farm belong to a cooperative?

[Speaker] It belonged to the Lacayos.

[Ortega] I see. Those properties and others throughout the country that are in the hands of peasants will remain in the hands of peasants, and we will continue turning over more land to the peasants. In other words, the agrarian reform program is not being halted here, and we are not going to return those lands now, even if the former owners turn up. We will not return the lands, even if the former owners return.

[Speaker] Let them be members of the cooperative. [laughter]

[Ortega] That could be. Let them work. They could be members of the cooperative and work there.

[Speaker] Let them respect the president of the cooperative. Mr Calero said that when he enters Managua he wants to [words indistinct] in the streets of Managua.

[Ortega] That cannot be. They say they will carry out a program as if they were another government. They say they will meet with the opposition parties and the Ramiro Sacasa Coordinating Board. They say they will meet with the bishops and the press. They are crazy. That cannot be. They can come to Managua, but only for the meeting, nothing more.

When we have reached the phase in which the contras are gathered in the special zones, and it is verified that they are in the zones, then the contra leaders will be able to come in to participate in the political dialogue. Until then, however, they cannot do this. If they want to come into the country and walk around as they like, they have to accept amnesty. While we are in a negotiating process they have to respect the agreements, which say there should have been a meeting in Managua on 6 April. They can come to the meeting at a specific place. We have already offered Las Mercedes as a place for the meeting that could not be held today.

This is for their own safety. They think the people will receive them with kisses and hugs. They do not realize we have to protect them so nothing happens to them. We have to protect them from the people. The people in the streets are not going to applaud them and congratulate them for what they have done. They believe that if they come to Managua, Masaya, here to Tisma, or other places, they will be received with kisses, applause, or hugs. They are mistaken. We have to give them protection, because the people here do not want them. The people condemn what they have done. For their own safety, we have to take the necessary steps to ensure nothing happens to them.

The families of those who have fallen have told me: If one of those contras comes here or if you release them, we will kill them, because they have killed our children. The people have said this. We therefore have to protect them from the outraged people who have lost their children, their mothers, their brothers, or their wives. Those people are outraged, so we have to protect the contras, because if something happens to them, they will blame us. They will say the government ordered them killed or beaten. We do not want this to happen.

Moreover, it seems to me that they are coming to a meeting with the Nicaraguan Government to discuss the Sapoa agreements, to see if we can reach a permanent agreement on the peace we Nicaraguans want. [end recording]

Chissano Meets Officials

PA071840 Managua BARRICADA in Spanish 6 Apr 88 pp 1, 6

[Excerpt] Within the framework of Mozambican President Joaquim Chissano's visit to Nicaragua, the FSLN and the Mozambique Liberation Front [Frelimo] yesterday signed a party agreement. Yesterday President Chissano met Commander of the Revolution Bayardo Arce, vice coordinator of the FSLN Executive Committee.

The agreement was signed by Comrade Julio Lopez, chief of the FSLN Foreign Affairs Department, and Frelimo Central Committee Secretary Dr Pascoal Manoel Mucubi.

President Chissano also met with Commerce and Industry Minister Luis Carrion, Minister of Foreign Cooperation Henry Ruiz, Sandinist Assembly member Commander Leticia Herrera, and the Executive Council of the 19 July Sandinist Youth.

President Chissano and Minister Ruiz met for over an hour to study details of the first Mozambique-Nicaragua scientific and technical cooperation agreement. According to the official agenda, this agreement will be signed tomorrow.

The Mozambican president arrived in Nicaragua 2 days ago. He met last night with a group of Mozambican youths studying at Nicaragua's School of Dentistry and with members of the Executive Council of the 19 July Sandinist Youth. Nicaraguan President Daniel Ortega attended the meeting.

Nicaraguan President Daniel Ortega explained to his Mozambican counterpart the progress being made in the cease-fire talks with the leaders of the counterrevolution. Ortega mentioned a letter sent to Adolfo Calero in which Nicaragua proposed the meeting with the contra leadership, scheduled to be held today in Managua, be held on 9 or 15 April. The contras said earlier that the meeting should be held on 12 April.

President Chissano praised the efforts for peace being made by the Sandinist government and added that the Mozambican youths studying in Nicaragua are not only learning a profession but also, what is more important, "they are learning the valuable experience of the Nicaraguan people and their struggle." [passage omitted]

Panama

Possibility of Sosa Extradition Request Studied

PA080350 Panama City Televisora Nacional in Spanish 0307 GMT 8 Apr 88

[Text] This afternoon local judicial authorities studied the possibility of requesting in the near future the extradiction of Panamanian Juan B. Sosa in the United States. He has been a fugitive of Panamanian justice since 16 March, when he carried out actions against the Panamanian state's laws [figura y personalidad].

This action would be part of the public prosecutor office's follow-up to the criminal suits filed against Eric Delvalle, Gabriel Lewis Galindo, Omayra Correa, Jose Isabel Blandon, Alberto Garcia de Paredes, Mariela Diaz, and others.

More details will be available tomorrow on extradition actions being carried out with the U.S. Government by the country's attorney general.

Church Suspends Mediation in National Dialogue

PA080319 Panama City ACAN in Spanish 0141 GMT 8 Apr 88

[Excerpt] Panama City, 7 Apr (ACAN-EFE)—Today the Panamanian Catholic Church announced the suspension of Msgr Marcos McGrath's mediation in a possible national dialogue between the government and the opposition for a peaceful resolution of the crisis.

A communique issued today by the metropolitan curia asserted that "it was not possible to start the mediation, and it has been suspended" given the withdrawal of some opposition groups, because "certain key points have not been fulfilled to begin the proposed mediation."

The opposition National Civic Crusade, Christian Democratic Party (PDC), and Liberal Republican Nationalist Movement (MOLIRENA) will wait until "there are more clear signs about the intention to negotiate the immediate departure" of Panama Defense Forces Commander General Manuel Antonio Noriega and "the effective beginning of a true democratization," the church's note states. Msgr McGrath's mediation was requested on 28 March by Costa Rican President Oscar Arias, Spanish Prime Minister Felipe Gonzalez, former Venezuelan President Carlos Andres Perez, and former Costa Rican President Daniel Oduber.

The church states: "There is another obstacle: We have yet to receive a written statement from Gen Noriega promising that he will specifically and personally support the initiative presented by the aforementioned leaders and in the terms presented by them. This would make the mediation role more feasible."

The note adds that the mediation requested "included the honorable departure" of Gen Noriega from the Defense Forces command. The initiative was relayed by telephone to the military commander and to opposition members on 28 March by one of its leaders—who was not identified—and the archbishopric later confirmed the initiative. The curia added that "we have yet to include the personal appearance of the international figures that first presented and later promoted the mediation. This would undoubtedly facilitate the initial contacts and talks between the parties to seek truly Panamanian solutions."

"The church has not given up its role as mediator. It urges all parties to exert themselves to eliminate obstacles and to overcome problems, thus paving the way for the much-desired mediation," the note concludes. [passage omitted]

Col Wong Says FDP, Civilians 'United'

PA080153 Panama City Televisora Nacional in Spanish 0020 GMT 8 Apr 88

[Excerpts] The psychological war unleashed by the United States against Panama will not work because we have the firmness of the Defense Forces [FDP] and its commander, Noriega, who defend the homeland's dignity. This was stated today by Colonel Guillermo Wong when speaking on behalf of the Panama Defense Forces at the Journalists House in Panama City.

The People's Unity Front, military forces, and civilians were invited to attend and issue, in front of a large audience, their views on U.S. aggression. [passage omitted]

Col Wong asserted that the psychological war will not prosper because the Defense Forces are united with the people, who will defend the homeland's sovereignty. He referred to the Defense Forces' strong unity and to the sincerity of General Noriega, who speaks the truth.

Esquivel 'Optimistic' About 'Solution'

PA080230 Panama City Circuito RPC Television in Spanish 2350 GMT 7 Apr 88

[Interview with deposed Vice President Dr Roderick Esquivel by unidentified reporter; date, place not given—recorded]

[Text] [Esquivel] I feel we are now in a transition toward democracy, because there is now solidarity. Those of us who have always struggled for democracy and have risked it all and lost much feel very optimistic and enthusiastic that our efforts have not been in vain. We are defending the constitutional line. Regardless of where we may be, we are fighting for it and will continue fighting for it.

We now clearly see that a solution to the situation is very near, and we are very optimistic and motivated more than ever before to fight to the end so Panama can be a decent country, a country where there will be progress and where people will feel optimistic about the future. Panamanians are in solidarity with each other concerning democracy, but not a democracy with castes or a democracy for the benefit of small groups. It must be a democracy where everyone will participate according to one's own abilities, talents, and honesty; and where all Panamanians who generate wealth for this country will have a right to participate in this wealth and live better. The same occurs when a government is being organized. A government of national unity does not mean returning to a government of the oligarchy. The Panamanian people have excellent resources in all social classes; and everyone has a right to participate, and everyone has the ability to participate. A government of national unity is one that will consider the best values and social classes of the country.

I believe that the working class, in particular, has contributed tremendously. We are aware there are labor unions and work federations that are corrupted and have yielded to Marxist-type policies, and who are trying to destroy the bases of our democratic system. However, the majority of the organized workers of this country are democratic and are giving a great example of solidarity and strength.

[Reporter] A few months ago you said that either we Panamanians would reach an agreement or we would shoot it out. Today, the opposition and the government, specifically the Panama Defense Forces, are in a tug-of-war over a dialogue. The opposition claims that General Noriega, and not the president, is the one who must sit down to a dialogue. What is your opinion on this?

[Esquivel] I have the same opinion I voiced many months ago: We either sit down to a dialogue or there will be violence. However, there are some things that can no longer be the topic of a dialogue. Everyone agrees that the participation or the departure of Gen Noriega is no longer a topic for a dialogue. Through his discrediting, he has driven the country to this present point. That cannot be negotiated or considered a topic of dialogue. As [businessman] Jose Cardona Mas recently said, we are not judges. The truth of the matter is that Noriega is charged with many things that have led the country to this state of affairs. Actually, it is not the charges that have taken this country to this state, but rather his stubbornness to stay in power and not attend a dialogue. Everyone knows this, as do he and his closest aides. I hope the solution will occur very soon, very soon.

We must then sit down to a dialogue, particularly with all the forces that have contributed to this lack of organization in the country. To have a government of national unity, there must be a dialogue. True, it seems some political groups are already organizing their little soldiers and their pseudo-military centers, and we see people marching up and down and being supplied with weapons. If we have to face that, then let us face it courageously. However, we should not continue living terrified by any one group. This is our country; we are going to stay here; we are going to die here; and we are going to fight for this country. The vast majority of Panamanians feel this way. A dialogue is the civilized manner. However, if there are groups in Panama that are not civilized and want to shoot it out, then we must get organized to defend ourselves along those lines.

[Reporter] Some people feel the government is not providing sufficient conditions or guaranteeing it will comply with whatever is decided in a national dialogue. How do you feel about that, provided there is a dialogue among all Panamanians?

[Esquivel] I think those people are right. This government has no credibility, no seriousness. It is not a government; it is just a team of accomplices. Therefore, anything that is concluded at a dialogue would be dead letter. We have already learned that one cannot hold a dialogue with people who have bad faith.

State of Emergency Extension Recommended

PA080240 Panama City ACAN in Spanish 0116 GMT 8 Apr 88

[Excerpts] Panama City, 7 Apr (ACAN-EFE)—The Government and Justice Commission of the Panamanian Legislative Assembly today advised the Assembly plenum to extend the national state of emergency decreed by the government on 18 February [date as received]. [passage omitted]

Labor Party (PALA) Legislator Arturo Vallarino, who is the vice president of the commission and is linked to the government, said it was a split decision.

Vallarino said the five ruling Democratic Revolutionary Party legislators voted in favor, and abstentions were cast by one legislator each of the Authentic Panamenist Party, which is the majority opposition party; the Christian Democratic Party, which is the second opposition force; and PALA.

The decision will be presented to the Assembly plenum on 11 April. [passage omitted]

Banking Association President on Reopening

PA081303 Panama City Telemetro Television in Spanish 2300 GMT 7 Apr 88

[Text] Today Panama Banking Association President Edgardo Lasso Valdes said that for the time being no date has been set for reopening the banks. He added that the country's political situation is sowing distrust among depositors and that the banking commission is analyzing the proposal to make a decision.

[Begin Lasso Valdes recording] We have not reopened banks because reopening the banks normally, under the abnormal circumstances the country is experiencing, would mean that some banks would not be able to resist the massive withdrawals we expect will occur.

When the restrictions [on reopening] were discussed, apart from such restrictions, we—I am referring to the Panama Banking Association—made some recommendations in writing to the National Banking Commission. Those included supplying the dollars necessary to operate with some degree of normality and recommendations regarding the clearinghouse, so there would be a viable system and all banks could exchange checks and make the corresponding payments. We also mentioned the points concerning National Bank and the Caja de Ahorros, which are very important sources in the clearinghouse, so that all [banks] would participate in the same system. We are working on this. However, we have noticed there are still some details that have not been fulfilled, such as supplying dollars to the system.

The clearinghouse matter is still being analyzed, and efforts are being made to begin normal operations. I repeat, there are other requirements to meet, which we believe are essential to ensure that once the banks are reopened under the restrictions announced last week, they may resume operations. As long as those requirements are not fulfilled—and I repeat banks are not refusing to reopen, we bankers want to reopen and to work normally, but the political situation has put us in this situation in which depositors do not trust the banking system—we do not want to reopen at all, only to have to then close banks again because we were not prepared. [end recording]

New Opposition Group Opposes U.S. 'Intervention'
PA072205 Panama City ACAN in Spanish 1930 GMT 7 Apr 88

[Excerpts] Panama City, 7 Apr (ACAN-EFE)—Today it was reported that a new opposition group calling itself the Civic People's Movement [Movimiento Civilista Popular] has been created in Panama to struggle for the demilitarization of the country and against foreign intervention in Panama's internal affairs, especially against U.S. intervention.

Mauro Zuniga, one of the founders of this antigovernment organization, said at a news conference that the formation of this new civic movement does not mean a "division" within the civic opposition sector.

Zuniga, who is also the leader of a private doctors association, asserted that the basic goals of the Civic Peoples Movement are to increase the struggle to overthrow the current regime and to reject foreign intervention, and to seek a national, popular solution for the country's crisis.

Zuniga stated that the Civic Peoples Movement is based on the principles of the Civic Crusade, which is an opposition coordinating board created 10 months ago and whose basic goal is the separation of General Manuel Antonio Noriega from the Army.

Mauro Zuniga said: "We are against formulas coming from Washington, because they have never been good for our country." Zuniga was clearly referring to the rapprochement between Civic Crusade leaders and President Ronald Reagan's administration.

The opposition leader said that the new movement, which proposes peoples solutions—which he did not specify—to the country's problems, does not recognize Eric Arturo Delvalle as Panamanian president "because he is a product of the 1984 electoral fraud." [passage omitted]

Zuniga said that the reason why it has been impossible to force Noriega's dismissal is that Noriega "knows all the vices of the U.S. Government." [passage omitted]

Zuniga rejected the call for a national dialogue made by the Peoples Unity Front (FUP), which is linked to the government, and also rejected the one in which the Catholic Church would act as a mediator between the authorities and the opposition.

Argentina

CGT Calls General Strike for 14 April

PY080142 Buenos Aires Argentina Televisora Color Network in Spanish 2300 GMT 7 Apr 88

[Text] During the plenary of secretary generals of the General Labor Confederation [CGT] today it was decided to launch a plan of struggle on Thursday 14 April with a 24-hour stoppage. This announcement was made by CGT Secretary General Saul Ubaldini during a meeting at the Jose Ignacio Rucci Hall of the CGT.

[Begin Ubaldini recording] 1. It has been decided to stage a nationwide general strike from 0000 to 2400 on 14 April as a national protest against the government's socioeconomic policy.

2. It has been decided to express solidarity with all organizations linked to the labor and industry sectors affected by this policy and to invite them to actively join our national protest.

3. It has been decided to authorize the executive board to carry out this plan of struggle to prevent the national destiny from being subjected to the plan of misery and dependency, which has been unanimously rejected by the Argentine people. [end recording]

Suspect in Recent Bombing Wave Killed

PY071731 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1140 GMT 7 Apr 88

[Text] Buenos Aires, 7 Apr (NA)— La Plata Federal Judge Humberto Blanco today reported that a young man, who was carrying an "extremely powerful" grenade and was allegedly involved in the recent wave of bombings, was killed yesterday at midnight in the Sarandi district of Greater Buenos Aires by federal police.

The judge confirmed that a woman, who was accompanying the young man who was killed, was arrested. Due to the secret nature of the pretrial inquest, the judge refused to give their identities.

Blanco said police, prompted by a campaign of bombings and death threats that began 2 weeks ago, "were investigating several people, including this young man."

In comments to Radio Mitre, Blanco said a shoot-out occurred at 2900 Mitre Avenue in Sarandi when policemen ordered the man to stop which he disobeyed.

Blanco added that the man "shoved the woman after giving her a small briefcase. He then attempted to detonate a grenade," an action that was repelled by the policemen who "killed him in the crossfire."

Blanco said the man and woman were carrying papers and pamphlets which are being studied, but he did not elaborate on their content. Blanco reported that "the grenade was an extremely powerful, modern type manufactured by a foreign country. He said that that type of grenade is specifically used by the Armed Forces."

Blanco said that bomb squad experts were called to handle the dangerous device. He said investigations will begin immediately on how the man obtained the grenade.

In conclusion, Blanco also explained that, in addition to the woman, he ordered the detention of the policemen involved in the incident "until hearing their testimony. Although it was an act of service, I must carefully examine how the events unraveled."

Further Details on Killing

PY072044 Buenos Aires TELAM in Spanish 1838 GMT 7 Apr 88

[Text] Buenos Aires, 7 Apr (TELAM)—The federal police have found six packages of U.S.-made plastic bombs of 120 grams each and two No 8 electronic detonators in the house of the youth who was killed last night. He lived at 755 Reconquista Street in the Sarandi district of Buenos Aires.

Police sources said that the explosives were found this afternoon during a raid on the house of the dead man on orders from Judge Humberto Blanco of La Plata, who is in charge of this case.

The unidentified dead man, who used a high-powered grenade to threaten the policemen who tried to arrest him, lived in apartment 18 on the 3d floor.

Federal Police of the Avellaneda office took part in the raid.

According to neighbors two other youths, reportedly Chileans, lived in the same apartment.

PC Leader Harshly Criticizes Dissidents

PY072347 Buenos Aires DYN in Spanish 0222 GMT 7 Apr 88

[Text] Buenos Aires, 6 Apr (DYN) —The Secretary General of the Communist Party (PC), Athos Fava, today downplayed the alleged creation of a internal faction of the PC headed by leaders who were expelled from the PC. Fava labelled this group as "Stalin's advocates."

Fava talked to DYN regarding news media reports—not released by DYN—on the decision to create within the PC a faction called "Defense of the 16th Congress."

At first the reports mentioned by Fava did not carry the name of the leader who would head the group but later some news media reported that it would be led by former members of the PC Oscar Arevalo, and Ruben Iscaro who ran for president in 1983.

Fava added that "it is a small group expelled from the party who belong to the old dogmatic and reformist guard and hanker after the old days of Stalin and who refuse to accept that the Argentine Communist Party militants have rejected them and made irreversible changes within our party, thus giving it a new appearance."

Fava stressed that "they epitomize a hardened line of thought and while they take advantage of anonymity to attack the party, we are getting ready to celebrate the 70th anniversary of the party on 10 April."

On behalf of the PC Executive Board, Fava stated: "We are seeking the unity of the left and, in fact, we are building the social and national liberation front."

Brazil

Sarney, Alfonsin Sign Bilateral Agreements

PY080042 Brasilia Domestic Service in Portuguese 2200 GMT 7 Apr 88

[Text] Today Brazilian President Jose Sarney and Argentine President Raul Alfonsin signed nearly 16 agreements designed to expand trade between their two countries.

One agreement seeks to expand the list of capital assets that are mutually treated as domestic items in both countries. Other agreements cover areas such as trucking services and the release of the first books of the Brazil-Argentina collection. Speaking at the signing ceremony of new agreements on the automobile and food industries, Sarney said:

[Begin Sarney recording] The new agreement on the automobile industry—which is also based on the principles of realism, gradualism, and flexibility—shows that our governments are determined to set forth new goals and mechanisms, which would enable businessmen to pursue their legitimate interests and to adjust to the tougher levels of competitiveness that will be gradually introduced in both markets.

The agreement regarding the food industry is designed to enhance balanced bilateral trade. This agreement is in keeping with the desires of business organizations in both countries. [end recording]

In his speech, President Raul Alfonsin said that from now on, we should stimulate participation by the Brazilian and Argentine private sectors.

The signing ceremony, which was held at Planalto Palace, was attended by cabinet ministers, state governors, and diplomats.

After the signing ceremony, the two presidents went to Bauru, Sao Paulo State, where they were welcomed by Sao Paulo Governor Orestes Quercia and by mayors from that region.

The two presidents also met with local residents and made brief remarks to newsmen. They emphasized the significance of expanding the Argentine-Brazilian bilateral agreements and noted that these agreements will bring about the creation of a Latin American economic market.

Sarney also noted that the dedication early tomorrow of the Navy's Aramar nuclear research center in Ipero shows that the two countries do not keep anything secret in the nuclear field.

[Begin Sarney recording] President Alfonsin will dedicate our Ipero plant. This shows that today our two countries are not keeping any secrets. We are working together, using nuclear energy for peaceful purposes to promote the well-being of our two peoples. [end recording]

Summary of Protocols

PY072228 Buenos Aires TELAM in Spanish 1348 GMT 7 Apr 88

[Text] Buenos Aires, 7 Apr (TELAM)—This is a summary of the protocols signed this morning by Presidents Raul Alfonsin and Jose Sarney, within the framework of an agreement for increased integration between the two countries.

Protocol No 21: Automobile Manufacturing Industry [subhead]

This protocol establishes facilities for the exchange of finished vehicles and parts.

In both cases, the facilities deal with the exemption of import taxes and the elimination of all other restrictions.

Each country can export a maximum of 5,000 finished vehicles in 1989 and 10,000 in 1990. Parts to replace the original ones in the exported cars will be exempted.

The overall limit for the exchange of spare parts and other equipment to be used in car-manufacturing in 1989 is $150 million. A list [lista comun] of spare parts that will be covered by this protocol will be drafted 180 days after it is signed.

It is understood that the exchange of replacement parts, spare parts, and equipment will be considered balanced as long as the yearly imbalance does not exceed 15 percent of the value of the exchanges. If it exceeds 15 percent, corrective measures will be taken to bring about an increase in the exports of the country in deficit.

The finished vehicles, replacement parts, spare parts, and equipment to be exchanged will be considered the national product of both countries.

This protocol specifies the immediate adoption of measures regarding the current trade of automobile spare parts between the two countries. It calls for the immediate suspension of restrictions—other than tariffs—that may hinder or impair trade between the two countries. From the Argentine point of view, this means that Brazil will not collect the 25-percent tax on financial operations, which is currently collected on all Argentine exports.

The Argentine automobile manufacturing industry produced some 190,000 units in 1987. The total exchange of vehicle parts amounted to $130 million. Thus, Argentina had a negative balance of $30 million. [figures as received]

As a result of these agreements, Argentina hopes to gradually expand its spare-parts exports and achieve greater expertise in the field, thus obtaining a larger share of the international market.

Protocol No 22: Foodstuffs Industry [subhead]

This protocol deals with the exchange of foodstuffs with at least some degree of processing. It establishes a list of tariff concessions that may be exchanged. It is an extensive list, which allows the gradual introduction of new specific, exchangeable products.

It is expected that by the end of 1993 the list of products being traded will include at least 50 percent of the total number of products included under the protocol.

The actual exchange of products is expected to begin on 1 September 1988 at the latest.

The products on the list will enjoy:

—Exemption from import tariffs. In some cases, quotas for the exchange, which may increase over time, can be estalbished.

—Elimination of restrictions other than tariffs—such as administrative, financial, or customs levies used unilaterally by the countries to hinder or impair imports.

Coordination of Plant Sanitation and Food Regulations [subhead]

The protocol also has clauses that limit trade imbalances to 20 percent of the average annual level of imbalances over the last 5 years, or 10 percent of all international trade in these products.

In order to emphasize the potential effects of this protocol, it is pointed out that the overall trade of the products on the list reached $150 million in 1986.

Annex of Protocol No 4 on Trade Expansion [subhead]

This protocol, which was signed in July 1986, established a mechanism to promote increased trade between the two countries, based on renegotiation, and the extension of tariff exemption privileges agreed upon by the two countries. This annex, which establishes more strict criteria for the trade balance, was signed with the spirit of preserving the trade balance, which is part of the process of integration with Brazil. It was also signed because there was a trade deficit for Argentina of approximately $200 million in 1987.

Alfonsin on Nuclear Ties

PY071203 Buenos Aires TELAM in Spanish 1645 GMT 7 Apr 88

[Text] Brasilia, 7 Apr (TELAM)—This morning Argentine President Raul Alfonsin spoke with Brazilian journalists about bilateral cooperation in the nuclear energy field and described as very important the opening of the Aramar Atomic Center in Ipero, Sao Paulo, which he and Brazilian President Jose Sarney will dedicate tomorrow.

In reference to the nuclear agreement between the two countries, Alfonsin said that we have taken a path that from now on will lead to a framework of peace and not to an arms race. This is important not only for Argentina and Brazil but also for the rest of Latin America and the world.

He said that although the most visible parts of the bilateral agreement are the protocols on the food and automobile industries, the most important part is the nuclear agreement, which he characterized as serious and historic.

We have taken a path that will lead to a framework of peace and not to an arms race, he said. He added that the groundwork for eradicating a possible nuclear arms race is currently being set.

This does not mean that an arms race could start, he said, but the two countries have mastered the uranium enrichment cycle and, in theory, they could develop toward other objectives not desired by the rest of the Latin American democracies.

When asked whether the idea to create a binational development bank had been abandoned, Alfonsin said it had not. However, he conditioned the creation of such a bank on the availability of funds to expedite trade and financial operations.

Regarding the foreign debt, the Argentine president said Argentina has renegotiated the periods to repay the debt principal, which is undergoing a process of capitalization.

This means we could talk with Brazil about the possibilities of joint development, he said, since Argentina seeks agreements over an overall strategy to demand understanding for the unfairness of the foreign debt interest and mainly for the closure of foreign markets.

Regarding this possible joint development, Alfonsin said we must first distinguish what is possible from what is probable, because each country has different problems.

When asked what would happen to the protocols if a new political faction assumed power after the elections, Alfonsin said that a treaty should be made and approved by the congresses of each country to establish them as a law in Brazil and Argentina.

Although he recognized that the opposition is always on the attack, he said that he is not aware of any Argentine political party that holds an official position against integration, except for that expressed by the MID [Integration and Development Movement].

When asked whether the Argentine-Brazilian integration process has started to bother the developed countries or the World Bank, the Argentine president said that no one has expressed rejection of the integration process. However, this does not mean that some sectors or companies could not be harmed by it.

He said that the difficulties with the World Bank over the construction of the Pichi Picun Leufu project were not connected with the integration process, but with the Argentine energy development policy and with the evaluation that creditors normally make for their loans. He said he expects construction on this project to begin this year.

In response to another question, Alfonsin said he believes the Argentine Government has sufficiently motivated businessmen to invest in Argentina and make its market grow. Of course this should be evaluated over time, he said, adding that the situation will develop more potential over a period of months and years.

In the field of military integration, Alfonsin said there is no distrust between the two countries, and the two Air Forces—as well as Navies, which are very friendly—are working together in the integration process.

Alfonsin on Agreements

PY071755 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1200 GMT 7 Apr 88

[Text] Brasilia, 7 Apr (NA)—Today President Raul Alfonsin said that integration is "a peaceful and friendly alternative." He also confirmed that he intends to conclude "a treaty which, with the support of our people through their congressional representatives," will serve "as a foundation for this important process that Argentina and Brazil are determined to implement."

Alfonsin also emphasized that it is important "to establish a general set of standards which, including the agreements that have already been reached" by the two governments, "will permit the inclusion of new proposals from the private sector and encourage proposals being made by different Argentine provinces and Brazilian states."

The Argentine president spoke today in Brasilia during a ceremony in which he, along with his Brazilian counterpart, Jose Sarney, signed bilateral agreements in the foodstuffs and auto manufacturing fields.

"Integration is a redoubtable project because it involves confidence and because it is a way of reaching peace and understanding between peoples," Alfonsin said in a speech delivered at Planalto Palace, the seat of the Brazilian Government.

Referring to the integration process, Alfonsin said "there was no other way to overcome, once and for all, our relative neglect in a world increasingly marked by the technological revolution and new interrelations."

Alfonsin said that it is necessary "to quickly create the conditions for a model to join our efforts and capabilities in all fields," thus establishing "a regional economic system."

Alfonsin said that "we believe the time has come to create new stimuli to increase the growing and decisive participation of the private sectors in the respective countries."

Alfonsin said that without the contribution of the private sectors, "the results will not be sastisfactory and the goal we are pursuing will not be as accessible as our people want."

"We believe we are beginning a new phase," stressed Alfonsin. He added that he hopes that in this new phase "the spontaneous interest of the productive sectors in our countries will open new lines in the integration process in which state bureaucracies will no longer be able to replace the private sector's innovative ability."

Alfonsin assigned the two governments "the major and basic task" of "establishing a general set of standards which, including the agreements that have already been reached, will permit the inclusion of new proposals from the private sector and encourage proposals being made by different Argentine provinces and Brazilian states."

In this regard, Alfonsin said it is necessary to conclude a treaty between the two nations with congressional suport "as soon as possible."

Alfonsin emphasized that the two governments are "enthused and confident in the future unity between the two nations." This is "prompted by old ideals, but also by reality, as one can see by facts."

Alfonsin said that the new agreements signed today "will be included in the strategic portion of the integration program, comprising the fields of capital goods, biotechnology, financial mechanisms for balancing trade, investment funds, the aeronautics industry, nuclear energy, and communications."

Alfonsin emphasized that in the area of capital goods, exports between the two countries "nearly tripled" in 1987, while bilateral trade in this sector "was balanced by an upward trend, doubling the figures for total operations."

Alfonsin said that this is a process "whose scope and projections will substantially change our productive structures in order to adapt them to a new counterbalanced economy [economic de escala]."

Alfonsin added that "we are not the only ones to notice what this means" because "the industrialized nations already know it and there are many nations that have already implemented concrete programs based on the new possibilities for investment and exchange that this gradual process of integration is offering for the future."

Alfonsin also praised the agreements reached in the field of nuclear energy and the Uruguayan decision to gradually join the integration process.

Alfonsin reasserted that "the main contribution to achieving our goal will come from the initiative and efforts of the workers and businessmen of the two countries. Our commitment will be to create the conditions that will make possible that participation."

"This effort depends on our people, and our absolute confidence in the final success rests on this fact," Alfonsin concluded.

Measures To Fight Public Deficit Announced

PY080257 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 7 Apr 88

[Text] The government has suspended the application of the Price Reference Unit (URP) to adjust salaries of public employees and has encouraged civil servants to resign. This afternoon Finance Minister Mailson da Nobrega announced new measures designed to fight the public deficit.

The government will issue a decree-law to encourage civil servants to resign. Those civil servants who voluntarily resign will receive severance pay of 1-month's salary for each year of service, a bonus payment equivalent to three salaries, and 1-month's salary to compensate for unused annual leave.

Civil servants who are under the Consolidated Labor Laws will collect the amount deposited in their surety fund, a 15-day salary for each year of service, and a bonus payment equivalent to 3 monthly salaries.

Through another decree, the government will stimulate the early retirement of those having served for more than 10 years. Annuities will be directly related to seniority.

No moonlighting: Through a decree, the government will cancel benefits to those public servants who are also working for private enterprises.

No more extra benefits at the judicial branch: A decree-law will amend the current system used to calculate the additional amount to be paid to judges for years of service. The maximum percentage, which was 140 percent, will now be limited to 35 percent.

The government will also increase the income tax to be paid by banks. The additional payment, which stood at 10 percent, will now be 15 percent. Although this increase should go into effect in 1989, early collections will be made now.

Yet, the most significant measure is the 2-month suspension of the URP to salaries of all government employees. The suspension will affect personnel of the federal and state governments, state-owned companies, the legislative branch, and the judicial branch. Personnel from these bodies will have their salaries frozen in April and May. The uncollected URP adjustment will be paid at the next base date for collective bargaining. If the government's income increases, an early payment will be made and the government will make a bonus payment of 1,233 cruzados to those making five minimum salaries per month or less.

The URP freeze will affect all federal government employees and personnel from state-owned companies, except for those employees of state-owned companies who will have base dates for collective bargaining in April and May. The salaries of those employees will be frozen in the following months. Salaries of judges will also be frozen only in May and June. URP will again be applied to all salaries beginning on 1 June.

Measures to stimulate voluntary resignation are not applicable to military personnel or to government officials, only to civil servants. These are the benefits offered: If a civil servant with 10 years' service earning 50,000 cruzados per month resigns, he will receive a 650,000 cruzados in severance pay, that is, 1 month's salary for each year of service and 3 salaries as a bonus payment. These measures will affect, in one way or another, 1.1 million government employees and 500,000 civil and military servants. Minister Mailson da Nobrega hopes these people will understand the difficulties we are facing.

[Begin Nobrega recording, in progress] ...which are paramount to preventing the government from suffering a financial collapse, to prevent it from having to face an untenable situation in which it lacks cash to pay military

personnel and civil servants, that is, to prevent the government from having a print more money, thus increasing the public debt, in order to pay government personnel. [end recording]

The government hopes government employees will not call strikes to protest these measures. If strikes are called, those responsible will be punished. The first test will be the strike called by Central Bank employees.

[Begin recording] [Nobrega] The government will address this problem in accordance with the law.

[Reporter] Will employees be fired?

[Nobrega] If the strike is illegal, those responsible will be fired. [end recording]